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Speaker: The Honourable Geoff Regan

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HOUSE OF COMMONS

Friday, September 28, 2018

The House met at 10 a.m.

Prayer

GOVERNMENT ORDERS

● (1005)

[*English*]

MULTILATERAL INSTRUMENT IN RESPECT OF TAX CONVENTIONS ACT

Hon. Lawrence MacAulay (for the Minister of Finance) moved that Bill C-82, An Act to implement a multilateral convention to implement tax treaty related measures to prevent base erosion and profit shifting, be read the second time and referred to a committee.

Ms. Jennifer O'Connell (Parliamentary Secretary to the Minister of Finance (Youth Economic Opportunity), Lib.): Mr. Speaker, I am pleased to rise in the House to speak to this important piece of legislation, one that would help bring more fairness to the tax system and help our government continue its work to strengthen and grow the middle class. To have an economy that works for everyone, we need a tax system that is fair, and we need all Canadians to pay their fair share. After all, the taxes we pay as Canadians build the infrastructure that gets our goods to market, and help create good, well-paying jobs. They keep us healthy, support arts and culture, and help us build strong communities. However, the tax system only serves Canadians well when it is working fairly.

Canadians work hard, and they expect the government to do the same. Their hard-earned tax dollars must be used wisely and effectively to provide the services and supports that Canadians want and need. Delivering the programs and services that Canadians need while keeping taxes low for small businesses and middle-class families is important to our government, and to all Canadians.

When our government took office more than two years ago, we made a commitment to invest in growth while upholding the principle of fairness for all taxpayers. A fair tax system is key to ensuring that the benefits of a growing economy are felt by more and more people with good, well-paying jobs for the middle class and everyone working hard to join it. The government is taking action on multiple fronts to ensure that all Canadians are paying their fair share of tax.

Let me remind hon. members that one of the government's first actions was to cut taxes for the middle class and raise them on the top 1%. In total, more than nine million Canadians are benefiting from this tax cut. Then we moved to provide simpler, more generous and better targeted support to those Canadian families with children that need it most. We did that by replacing the previous child benefit system with the Canada child benefit. Compared to the old system of child benefits, the Canada child benefit, or CCB, is simpler, more generous and better targeted to those who need it most, and it is tax free. Nine out of 10 families are better off under the CCB, and the benefit has helped lift 521,000 individuals, including nearly 300,000 children, out of poverty. On average, families benefiting from the CCB are receiving $6,800 per year to help put healthy food on the table, pay for lessons and buy clothes and supplies for school. The CCB is especially helpful for those families led by single parents. These families are most often led by single mothers, who have lower total incomes on average, and so benefit more from an income-tested benefit like the CCB. In fact, close to 95% of CCB amounts paid to single parents with incomes below $30,000 are paid to single mothers.

We have also taken steps to help Canada's hard-working small businesses through a reduction of the federal small business tax rate. We reduced the small business tax rate to 10%, effective January 1, 2018, and will reduce it further, to just 9%, starting next January. For the average small business, this will mean an additional $1,600 per year. By this time next year, the combined federal-provincial-territorial average tax rate for small businesses will be just over 12%, by far the lowest in the G7, and among the lowest of all OECD countries.

Tax fairness continues to be a cornerstone of our government's promise to Canadians to grow a stronger middle class. In each of our three budgets, the government has taken steps to enhance the integrity of Canada's tax system and give greater confidence that the system is fair for everyone. An important focus of our efforts is cracking down on tax evasion and tax avoidance, which have serious financial costs for our government and all taxpayers.

Since our first budget in 2016, the government has continuously strengthened the Canada Revenue Agency's ability to successfully crack down on tax evasion and combat tax avoidance with increased funding. This funding has enabled far-reaching changes to the CRA's compliance programs, allowing them to better target those posing the highest risk of tax avoidance, including wealthy individuals with offshore accounts, and more effectively limit tax evasion and avoidance.

● (1010)

Those efforts are showing concrete results for Canadians. With our new systems, we are able to review all international electronic fund transfers of over $10,000 entering or leaving the country. This adds up to more than one million transactions each month.

Reviewing these transfers helps us do better risk assessments for unfair tax avoidance by individuals and businesses. Over the last two fiscal years, the government reviewed all large money transactions between Canada and eight countries of consent, with a total of 187,000 transactions worth a total of more than $177 billion.

Working closely with partners in Canada and around the world, there are now over 1,000 offshore audits and more than 40 criminal investigations with links to offshore transactions. The government is also aggressively pursuing those who promote tax avoidance schemes, and so far has imposed $44 million in penalties on these third parties.

This year, we are also gaining easier access to information on Canadians' overseas bank accounts with the implementation of the common reporting standard. With this new system, Canada and close to 100 other countries will begin exchanging financial account information. This information will help us connect the dots and identify instances where Canadians hide money in offshore accounts to avoid paying taxes.

We have expanded our specialist audit teams who focus on high-net-worth taxpayers. These teams are comprised of approximately 250 auditors responsible for scrutinizing more than 500 high-net-worth individuals and their webs of corporate structures.

In addition, in December 2017, the Minister of Finance and his provincial and territorial counterparts committed to ensuring that the appropriate Canadian authorities know who owns which corporations in Canada and to better harmonizing corporate ownership record requirements between jurisdictions. This information will help Canadian authorities take appropriate action against those engaging in international tax avoidance and criminal activities such as tax evasion, money laundering and other criminal activities perpetrated through the misuse of corporate vehicles.

While the actions the government has taken to date represent real progress, tax fairness is a complex goal requiring ongoing engagement and progress on many fronts. With this bill, the government is going even further to fight aggressive international tax avoidance. We are proposing rules to prevent taxpayers from inappropriately reducing or avoiding Canadian income tax through treaty shopping and other transactions or arrangements.

Canada is active in the efforts by the OECD and G20 to address tax planning strategies that exploit gaps or mismatches in existing tax rules to shift profits to locations where they are subject to little or no taxation. These groups are also working to counter strategies that shift profits away from jurisdictions where the underlying economic activity has taken place. This multilateral effort is known as the "base erosion and profit shifting" project.

The OECD's work on the base erosion and profit shifting project identified a number of instances in which the terms of current tax treaties could be modified to prevent potential abuse. However, given the large number of treaties in existence and the extended period of time the bilateral renegotiation of each of those agreements would entail, a new approach was developed to implement these modifications on an expedited basis. The result is the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting, also known as the multilateral instrument or MLI.

The MLI is the central focus of today's legislation. It will enable those jurisdictions that sign on to it to swiftly modify their bilateral tax treaties to incorporate the tax treaty related measures developed through the base erosion and profit shifting project.

● (1015)

The MLI was developed and negotiated by more than 100 countries and jurisdictions, including Canada. It is the first multilateral treaty of its kind allowing jurisdictions to incorporate the results of the BEPS project into their bilateral tax treaties and to work together more effectively in the fight against aggressive international tax avoidance.

At the same time, the MLI will provide greater certainty for taxpayers by including measures designed to improve dispute resolution under Canada's tax treaties.

Canada signed the MLI on June 7, 2017, and as we committed in budget 2018, we have tabled the legislation in the House to enact the MLI into Canadian law. The MLI will build on actions that the government has already taken to enhance the integrity of Canada's tax system at home and abroad, giving Canadians greater confidence that the system is fair for everyone.

Adoption of this legislation would modify the application of many of Canada's bilateral tax treaties, including the base erosion and profit shifting standards on treaty abuse, improving dispute resolution and certain other more specific anti-avoidance rules as well as mandatory binding arbitration in relation to tax treaty disputes.

With this legislation, the Government of Canada is taking the next step in the fight against aggressive international tax avoidance and safeguarding the government's ability to invest in the programs and services that help Canadians across this country.

From wherever we look today, there is no shortage of challenges facing the world economy and that means challenges for Canada as well. The good news is that we have strong economic fundamentals that allow us to seize opportunities in the global economy.

Our strong fiscal position is the envy of every G7 nation and gives us the flexibility to make strategic investments today that will help grow our economy tomorrow and for years to come.

The federal debt-to-GDP ratio remains firmly on a downward track. Canada's net debt-to-GDP ratio is the lowest among the G7 countries and our deficit-to-GDP ratio is projected to reach 0.5%.

Over the last three years, Canadians' hard work has expanded our economy, creating about 540,000 full-time jobs and driving down the unemployment rate to one of the lowest levels in nearly 40 years.

By cracking down on tax evasion at home and abroad, we are building on these tremendous advantages that Canada enjoys. We are ensuring that our government has the money needed to deliver programs that help Canadians and that Canada remains positioned as an excellent place to work, invest and do business.

As I have made it clear today, we have already made tremendous progress towards this stronger Canada, but as I have also noted, tax fairness is a complex goal requiring action on many fronts.

The government will therefore continue to identify and address tax evasion and aggressive tax avoidance schemes to ensure that the tax system operates as fairly and effectively as possible.

The legislation we are considering today is an important step towards this goal. I have every confidence that this will become increasingly evident as we proceed with our debate.

Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC): Mr. Speaker, let me first publicly congratulate the member opposite for her appointment to parliamentary secretary. That is a big achievement in this place.

I would like to go right to the subject of base erosion and profit sharing. The hon. Jim Flaherty put this in budget 2014, on consultations. It was a subject that the G20 looked at. I am happy to see the government pursue this strategy, because it is important for us to tackle.

The other part of this is, while we can worry about base erosion and profit sharing outside, what I am worried about is our tax base being eroded right now from a lack of investment, where we see the uncertainty that the government has allowed to continue by not being able to negotiate a successful NAFTA negotiation, when Mexico has. At the same time, it is introducing carbon taxes, extra payroll taxes, which ultimately would make us less competitive.

The member's portfolio specifically mentions youth employment. These things will harm the economic ability for young people to get employed in this country if this continues.

This legislation is welcome because it continues the great work of the previous government.

What is the parliamentary secretary going to do to ensure those young people have those opportunities and do not go down to the United States?

● (1020)

Ms. Jennifer O'Connell: Mr. Speaker, I thank my hon. colleague for mentioning my recent appointment. I am very excited to be in this role.

Let me start with the point about young people. What young people want as they graduate and get new jobs is stability and fairness in the tax system, just like anyone else. What businesses want is confidence in the tax system and the ability to compete globally and not be uncompetitive because of unfair profit shifting in other jurisdictions or base erosion through treaty shopping.

This legislation was introduced in 2014. Why did the previous government not enact it? It would be good news for Canadians, because it would ensure that our tax system was fair and ensure that we had the resources to spend on the programs that actually grow the economy.

In regard to competitiveness, the Minister of Finance pointed out yesterday that we have had 8% growth, over the last six consecutive quarters, in business investment. Our plan is working. This would ensure that our system remained fair and competitive for businesses.

Mr. Gord Johns (Courtenay—Alberni, NDP): Mr. Speaker, my colleague talked about tax fairness. I think about my friend, Mike, who is working at the mill. He is paying taxes like everyone else. However, the government continues to hold up the tax loophole for CEO stock options. I have concerns and Mike has concerns.

Why would CEOs get a tax deduction of almost 50% when they are having a big win? We know who benefits from this tax deduction. Ninety-two percent of it goes to the 1%. This benefits the very wealthy. When people have success, they are winners. We want them to do well, but they need to pay their fair share of taxes. The government continues to support a tax structure that protects the privileged.

This is a step in the right direction, but it is far from what is needed. We need something with more teeth. We need them to follow through on their promise to close the CEO stock option loophole. Will the government take the next step and close that CEO stock option loophole so that CEOs and the 1% pay their fair share of taxes like everyone else in this country? That is tax fairness.

Ms. Jennifer O'Connell: Mr. Speaker, I agree that tax fairness needs to be at the core of our system so that all Canadians are paying their fair share. That is precisely why one of the first things we did was lower taxes for middle-class Canadians and actually raise them for the top 1%.

In addition, I want to be very clear that this legislation would not replace or amend. It would actually work in conjunction with other treaties or programs Canada signs on to, such as on information sharing. This would work in conjunction with strengthening our ability globally to fight aggressive tax evasion and tax avoidance. It would also provide us with additional tools in the future if we felt that the government needed to take additional steps on aggressive tax avoidance and tax evasion so that we were equipped to be globally competitive while creating a fair tax system here.

One of the best things for this is creating business confidence in the global economy. For example, the dispute resolution process gives businesses the opportunity to deal with challenges in a timely matter. It is something that is globally accepted, and as I said, it works in conjunction with other programs. It is an enhancement, and it should provide confidence to Canadians that we are working to create a fair tax system.

[*Translation*]

Mr. Gabriel Ste-Marie (Joliette, BQ): Mr. Speaker, I would like to commend my colleague on her speech.

I think that an agreement such as the one proposed by the G20 and the Organisation for Economic Co-operation and Development, the OECD, is a good initiative.

My colleague mentioned that this bill will help fight tax havens.

To her knowledge, if Bill C-82 is passed as it now stands and treaties are ratified between various parties, will it be possible to close the Barbados tax loopholes?

According to my colleague, will Bill C-82 ensure that Canadian financial firms that repatriate their taxes from subsidiaries in Barbados will be subject to Canadian taxes?

● (1025)

[*English*]

Ms. Jennifer O'Connell: Mr. Speaker, this would be good news for Canada. This would be good news for businesses and Canadians, because it would create a fair tax system. As I said in answer to the last question, this would work in conjunction with other measures this government has taken.

The hon. member mentioned Barbados. Barbados is actually one of the countries that is part of this agreement. The measures being taken would enhance our ability to avoid profit shifting and base erosion, which most people refer to as treaty shopping, to avoid paying one's fair share. This would be good news for Canadians. This would be good news for businesses that participate globally. It would keep them competitive while ensuring that our tax system was fair and able to deliver the programs Canadians need.

Ms. Marilyn Gladu (Sarnia—Lambton, CPC): Mr. Speaker, I know that this legislation seeks to prevent double taxation as well. The member talked about dispute resolution. I know there were issues with many residents across Canada who own Canadian corporations. When the U.S. changed its tax rules recently, people living in the U.S. who own Canadian corporations ended up paying hundreds of thousands of dollars of double tax, and dispute resolution was not present.

Could the member describe how that would work to bring a timely resolution for these people?

Ms. Jennifer O'Connell: Mr. Speaker, to clarify, this legislation does not include anything with regard to double taxation. This legislation is specifically with regard to the MLI, which relates to base erosion, profit shifting and treaty shopping. Double taxation or the sharing of information is not part of this legislation. This is simply about the MLI and the enactment of the MLI agreement. I wanted to make the point clear that what we are dealing with here is base erosion and profit shifting.

Mr. Gord Johns: Mr. Speaker, I asked the parliamentary secretary earlier why the Liberals have not closed the CEO stock option loophole, and I did not get an answer. We know that 92% of that stock option loophole goes to the 1%. All I am looking for is an explanation as to why they have not followed through with their promise.

Ms. Jennifer O'Connell: Mr. Speaker, I will reiterate once again that we actually lowered taxes for the middle class and increased them for the 1%, which I believe my hon. colleague voted against. This legislation is specific to profit shifting, base erosion and treaty shopping. This is what we are focused on. It is a piece in the puzzle to deal with tax avoidance and tax evasion, which I hope all members support.

Mr. Jamie Schmale (Haliburton—Kawartha Lakes—Brock, CPC): Mr. Speaker, I have the pleasure to rise today to speak to an important piece of legislation, Bill C-82, an act to implement a multilateral convention to implement tax treaty related measures to prevent base erosion and profit shifting. The bill would, upon royal assent, modify up to 75 of Canada's bilateral tax treaties, also known as covered tax agreements, or CTAs, in order to combat base erosion and profit sharing, or BEPS, as it is more commonly known in taxation vernacular, for those watching at home.

For those Canadians I just mentioned, and indeed for the members of the House who are not tax lawyers, including me, Bill C-82 is quite a mouthful, but basically, the bill purports to make it more difficult for corporations to hide money in offshore tax havens. At this early stage in debate, it is worth discussing a few of the concepts inherent in the bill so that we can have a more fulsome discussion moving forward.

First, the multilateral convention to implement tax treaty related measures to prevent base erosion and profit shifting is a multilateral instrument, or MLI, which is the product of the Organisation for Economic Co-operation and Development's G20 BEPS project, which began in 2013. Base erosion and profit shifting, or BEPS, refers to tax-planning strategies that exploit loopholes in tax rules to artificially shift profits to low- or no-tax jurisdictions where there is little or no economic activity, allowing little to no corporate tax to be paid. Moderate estimates indicate annual losses of anywhere from 4% to 10% of global corporate income tax revenues, or $177 billion to $425 billion annually. In Canada, we are looking at somewhere between $3 billion and $6 billion annually in taxes that could go to pay for any number of important programs or projects to benefit all Canadians. It might even buy us a pipeline or maybe pay off a third of the annual deficit, if the Liberals were so inclined.

Leaders of the OECD and G20 countries, as well as over 60 other countries, jointly developed 15 actions to tackle tax avoidance, improve the coherence of international tax rules and ensure more transparent tax regimes. The purpose of the MLI is to allow signatories to swiftly implement tax treaty related measures to prevent BEPS. The goal of implementing the measures in the MLI is to end treaty abuse and treaty shopping by transposing, in existing tax treaties, these jurisdictions' commitment to minimally include in their tax treaties tools to ensure that these treaties were used the way the signatories initially envisioned. Once implemented, the MLI would modify up to 75 existing bilateral tax treaties with, at minimum, the adoption of the OECD treaty-abuse and improved dispute-resolution standards.

It is important to note that there are scales on which Canada can adopt the 15 actions included in the MLI. Its treaty-abuse standard consists of two parts. First is an amended preamble, suggesting that covered tax treaties are intended to eliminate double taxation without creating opportunities for non-taxation or reduced taxation through tax evasion or avoidance. Second is a broad anti-avoidance rule, referred to as the principal purpose test, or PPT. Under the PPT, any tax benefit could be denied where it was reasonable to conclude that one of the main reasons for the transaction was to avoid paying taxes unless it was established that granting the benefit would be in accordance with the object and purposes of the relevant provisions within the treaty.

The other minimum standard is the adoption of mandatory binding arbitration to assist in resolving treaty-based disputes in a timely and efficient manner. Initially, Canada took a conservative approach toward the MLI, agreeing to implement the minimum standards. However, recently, the government has shifted that approach and has announced its intention to remove some of its initial reservations on optional MLI provisions, namely, those pertaining to dividends, article 8; capital gains, article 9; dual residency tie-breaker rules, article 4; and relief from double taxation, article 5.

I believe that this is an important factor to consider, because following ratification, Canada would be unable to add any reservations. However, signatories could withdraw or narrow a reservation following ratification.

The provisional MLI position of each country indicates the tax treaties it intends to cover, the options it has chosen and the reservations it has made. Signatories can amend their MLI positions until ratification. After ratification, countries choose to opt in with respect to optional provisions or to withdraw reservations. This makes the debate and analysis of Bill C-82 very important at committee stage.

● (1030)

Make no mistake, the Conservatives do support, in principle, Bill C-82. We want a full vetting at committee and we want to ensure the bill will meet the expectations of Canadians from coast to coast to coast. I think everyone in the House would agree we must get this right.

I would like to turn our attention now to the four additional provisions added to Bill C-82.

The first addition is to implement a one-year holding period to access treaty-based withholding tax reductions on dividends under a covered tax agreement. A covered tax agreement, or CTA, is an agreement for the avoidance of double taxation enforced between countries to the MLI and for which countries have made a notification that they wish to modify the agreement using the MLI. Double taxation is a taxation principle referring to income taxes paid twice on the same amount of earned income. It could occur when income is taxed at both the corporate level and the personal level.

Double taxation also occurs in international trade, when the same income is taxed in two different jurisdictions, and that is the area we are most concerned with here today. Income may be taxed in the jurisdiction where it is earned then taxed again when it is repatriated in the business's home country. To avoid these issues, countries sign treaties for the avoidance of double taxation. It is the abuse of that system which fosters the need for the bill we are discussing today.

The withholding tax reductions on dividends generally apply where the recipient of a dividend is a company that owns, holds or controls more than a certain amount of the shares or voting power of the dividend-paying company. However, article 8 of the MLI will deny access to the special relief if those ownership conditions are not met throughout a one-year period, including the day of the payment of the dividends.

The second optional provision would add an examination period of one year preceding alienation of the property in determining whether a CTA would exempt capital gains on the sale of equity interests that would not derive their value principally from immovable property.

According to Osler, Hoskin & Harcourt LLP's article, "Canada tables NWMM to ratify MLI; Updates MLI reservations": It states:

> Canada's domestic "taxable Canadian property" rules impose a five-year lookback period for determining whether shares derive their value principally from certain types of Canadian properties (such as real property and resource properties). By contrast, many of Canada's tax treaties exempt gains from being taxed in Canada where the shares sold by a resident of the other state do not derive their value principally from immovable property in Canada at the time of disposition. Article 9 (1) of the MLI, which Canada proposes to adopt, will allow the source country to tax such gains if the relevant value threshold is met at any time during the 365 days preceding the disposition.
>
> The new provision on capital gains will also extend the application of existing provisions in Covered Tax Agreements that do not already provide for such taxation to allow taxation of gains from both shares and other equity interests (such as interests in partnerships and trusts), in each case provided the relevant immovable property threshold is met during the 365-day testing period.
>
> The third change [Article 4] is to adopt a provision for resolving dual resident entity cases...Article 4 of the MLI adds certain factors that the competent authorities should take into account when determining residency status: place of effective management, place where the entity is incorporated or otherwise constituted, "and any other relevant factors."

The fourth and last addition is the adoption of a provision of the MLI that will allow certain treaty partners to move from an exemption system as their method of relieving double taxation, to a foreign tax credit system.

There are a number of considerations I would like to raise, considerations I hope will be addressed at committee.

On article 4, Osler, Hoskin & Harcourt LLP, in its analysis, warns:

> The new article on dual resident entities does not provide for a clear result where the entity is a dual resident by virtue of a corporate continuance. Some such entities may be governed by the laws of both the jurisdiction under which they are created and the one to which they are continued. The U.S.-Canada treaty contains a tie-breaker rule that provides that such an entity would be resident only in the jurisdiction where the entity was created. By referring to the place where the entity is incorporated or otherwise constituted as a relevant factor, the new MLI provision may be signalling that a similar approach should be applied...

● (1035)

Whether there is a one-size-fits-all template that can be applied to address the concern or that this is best solved by an agreement between signatories is not clear. I again encourage the committee to look into this matter and provide some clarity on this.

Article 5 of the MLI allows countries to adopt one of three different options when removing such treaty-based guarantees. It is unclear at this moment which of the three options the government intends to implement. This may be a matter for the government to decide after ratification or it may not.

In any event, some time to consider witness testimony on the options available to eliminate the issues of double taxation will provide some guidance, I think, for the government when the time comes to implement an option.

The government did not announce an intention to remove its reservation on article 7(4), which would specifically allow treaty benefits that would otherwise be denied under the PPT to be granted in full or in part by the competent authorities in appropriate circumstances.

Osler, Hoskin & Harcourt LLP cautions that this is problem, illustrated with this example. It states:

> ...assume that an investor would be entitled to a 15% withholding tax rate on dividends had it made a direct investment into Canada, but instead invests into Canada through an intermediary that would have been entitled to a 10% withholding tax rate. A denial of treaty benefits under the PPT could lead to a 25% withholding tax rate on dividends to the investor.

Without the provisions in Article 7(4) the mechanism to allow for remedies will not exist.

According to Osler:

> This is particularly important, for example, for private equity and other collective investors that may be resident in multiple jurisdictions. Canada has also not provided any additional guidance on when or how the PPT is intended to apply to private equity and other collective investment vehicles—despite many suggestions that further guidance is needed (either on a unilateral or bilateral basis).

I would strongly encourage the committee to examine this matter and pay particular attention to the very broadly worded PPT, which may be open to various interpretations.

Gowling WLG's partner, Laura Gheorghiu, in her article on the MLI tax treaty and what it means for taxpayers, brings to our attention concerns regarding article 8. She states that article 8:

> ...addresses the reduction of the 25% domestic dividend withholding rate under most CTAs to 5% where the dividend is paid to a corporation that, at the time of the payment, owns, holds or controls directly (and in certain CTAs, indirectly) at least 10% of votes (or in certain cases holds more than 10% of the shares) of the dividend payor. Article 8 will deny the reduced treaty withholding tax rate unless the applicable ownership conditions are met throughout a 365-day period that includes the day of the payment of the dividends. For this purpose, ownership changes resulting from corporate reorganizations (e.g. amalgamations) of the dividend payor or shareholder are ignored. This...holding period is meant to ensure that non-resident companies that engage in certain short-term share acquisitions will not benefit from the lower treaty dividend withholding tax rates.
>
> The application of the hold period rule will be problematic in practice because the 365-day period can straddle the transaction date. Where the holding period test has not been met at the transaction time, the corporate dividend payor has a difficult choice to make. If it withholds at the lower rate, it exposes itself to the risk that the shareholder will not meet the holding period test and, therefore, the payor will be liable for the additional withholding tax and penalties. Alternatively, if it withholds on the dividend at the domestic rate, and the test is met, the shareholder will then need to apply for a refund of the excess withholding, which will engender additional costs and delays.

As of today, 84 countries have signed the MLI including Canada. Six more are interested in signing and 10 have ratified the convention.

● (1040)

It is interesting to me that the United States has chosen not to sign the MLI. Rather than pursuing legislation to recoup unpaid taxes in an investment like the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS, the U.S. has chosen a different approach.

When the OECD first announced its plan to go after tax planning and double taxation by multinationals, the U.S. had the highest statutory corporate tax rate in the OECD. Since then, the U.S. has passed historic corporate tax cuts as part of the tax cuts and jobs act, lowering its headline corporate tax rate from 35% to 21%, less than the OECD average.

The U.S. has also made significant changes to the international taxation of its U.S. multinationals.

The U.S. has taken steps to address BEPS and non-taxation of multilateral income by creating strong incentives for companies to relocate investment, economic activity and profits in the U.S. through a more competitive tax code..

To be clear, I am not advocating for the abandonment of Bill C-82 As I mentioned earlier, the Conservatives support the principles behind the bill, but we also support lower taxes for Canadians and businesses. Lower corporate taxes, reducing red tape and creating an investor-friendly climate is something we need to do in concert with Bill C-82. The more investment dollars we can attract and retain in Canada, the less taxes we need to spend in pursuit of those who exploit loopholes in tax rules.

In 2013, the previous Conservative government supported the effort to establish the OECD G20 BEPS working group to curtail profit shifting and tax avoidance.

The Conservatives support measures to crack down on tax evasion. Aggressive tax avoidance is a major source of lost tax revenue for high tax jurisdictions like Canada. However, let us remember that the vast majority of citizens, residents and businesses in Canada pay their taxes and follow the rules. Having a fair tax system for all Canadians and corporations that do business in Canada is fundamental to a healthy and equitable economy.

I want to quickly talk about what is happening when there is a lower-tax environment, something we do when we lower regulations and red tape and allow businesses to thrive in open and free markets. We are seeing that, as I mentioned, in the United States. The last number I saw was that there were 6.7 million unfilled jobs in the United States. Obviously, when that happens, wages go up, which we are seeing that all across the board, unemployment goes down, bonuses are given out and employees are better off than they were before. More money in more people's pockets gives them more options, more choices in their own lives to spend on projects and things they feel are important to them.

When we look at what is going on in Canada, we are almost doing the exact opposite: taxes are going up; red tape and regulations are grabbing onto businesses, they are strangling them; and businesses are looking for options elsewhere. We are already seeing it in the energy sector.

We have lost out on tens of billions of dollars worth of investment because of the government. Investment is fleeing; we are losing jobs, families are worse off than they were before; and we are going in the opposite direction in what most countries are doing, including one of our competitors, the United States. This is important to note because those of us on this side of the House believe that lowering taxes, allowing free markets to weed out bad actors, allowing people to have more choice and freedom in their daily lives is the best way to have a free and open society, like we do here.

With careful consideration of the bill and amendments at committee, these measures would prevent treaty abuse, improve dispute resolution and reduce the incidence of tax avoidance. However, I also laid out another case as well.

● (1045)

[*Translation*]

Mr. Matthew Dubé (Beloeil—Chambly, NDP): Mr. Speaker, I thank my colleague for his speech. Tax evasion and tax avoidance are extremely important issues. As he said when he referred to how most businesses and individuals pay their taxes, problems arise when we consider the amounts that are not making it to the government coffers. Some people who are already in a position of privilege and power are benefiting from a system that has clearly failed in achieving fairness, in this case tax fairness, within our society.

The multilateral instrument that we are talking about here today reminds me of the debate that we had in the House of Commons during the last Parliament about the free trade deal with Panama. Before ratifying a free trade agreement with that country, the United States made sure that Panama had made a firm, official commitment to combat tax evasion and that it was making an effort to ensure that the United States was getting the money it was entitled to. Canada did not do that. That was one of the reasons why we opposed the agreement signed by the previous government.

Does my colleague not believe that we should ensure that the countries with which we sign free trade deals do more to ensure that the money belonging to our own citizens comes back to us?

● (1050)

[*English*]

Mr. Jamie Schmale: Mr. Speaker, as I mentioned, I did lay out my concerns, and I think that addresses much of the question.

I also mentioned that there are ways, in addition to this piece of legislation, to allow money to be repatriated to our country. We continue to spend money to go after these bad actors. On the other side, we see the money that we are losing out on, which could pay for a number of programs that Canadians love and cherish. I do think there is an obligation to go after that, as I mentioned in my speech, in concert with the bill, and there are ways to do it.

We can see what is happening in the United States. Money is being repatriated to the United States in hundreds of billions of dollars, because the Americans were able to lower the tax rate and provide incentives for companies to bring that money back. We could go after them in a meaningful way through this legislation. We could also be a tax magnet as well. We could allow companies to repatriate the money they have, invest in their workers, invest in their companies, pay their taxes here domestically, and I think we would all win because of that.

This is not a situation with one solution only. I think the government needs to look at that avenue as well and ensure that we are being competitive on the world stage in terms of a friendly business environment.

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, here we have another piece of legislation that I believe would assist in setting the agenda which really started virtually on day one with this government when we brought in legislation to look at giving Canada's middle class a tax break, which is something I would remind my colleague across the way that he voted against. Also, we put a tax on Canada's wealthiest 1%. Today, we have legislation before us which looks at ways in which we can ensure there is a higher sense of tax fairness, which is something Canadians want to see. It has been a priority for this government. We have invested literally hundreds of millions of dollars to look for and prosecute tax evaders.

Would my colleague across the way not agree that in good government we take the measures such that we have taken virtually from day one? There may be a bit of remorse for not supporting some of the previous legislation, but I would hope that the Conservatives will be supporting this piece of legislation.

Mr. Jamie Schmale: Mr. Speaker, as I mentioned in my speech, we are supporting the bill. We do have our concerns, and I laid them out in my speech. I spoke for 20 minutes on what I thought could be ways we could improve this piece of legislation.

I would also point out that this project has been ongoing since 2013 under the previous Conservative government. We supported the effort to establish the working group to curtail profit sharing and tax avoidance. The agreement in 2013 has developed into the multilateral convention.

I should mention that the previous Conservative government began cracking down on tax avoidance measures. One example from January 2015 is that electronic measures of $10,000 or more must be reported to the Canada Revenue Agency by banks and financial institutions. The actions were already being taken on this side of the House when we were in power.

Again, on this piece of legislation, I laid out my concerns. I am hoping that through the committee process, the committee is a able to work on and iron out some of the concerns I mentioned. I am sure some issues will be raised by my colleagues at committee and through the testimony, and we will be able to improve the bill and hopefully make Canada a more competitive place on the world stage.

Mr. Gord Johns (Courtenay—Alberni, NDP): Mr. Speaker, it is good to hear that the Conservative Party is going to support this step forward in terms of closing loopholes and tax avoidance. However, we do not believe that this bill goes far enough.

My colleague talked about tax fairness. The Conservatives do not believe that New Democrats support risk takers in our country doing well, but we do. However, we also support them paying their fair share of taxes.

With respect to the CEO stock option loophole, CEOs are getting a 50% discount. Risk takers who have done well, who have won because of their hard work, are getting a discount on their taxes, which is not fair.

My friend Maureen Fraser owns the Common Loaf Bake Shop in Tofino, B.C. She pays her fair share of taxes. When she has a good year, she pays a little more, and she is happy to do so. But she does not think it is fair that CEOs get a discount on their taxes when they have a big win. Ninety-two per cent of the CEO stock option loophole would go to the 1%. That is unfair.

Does my friend and colleague support closing the loophole for the CEO stock option?

We know it is not about competitiveness. I have talked to CEOs and not one of them has told me they are going to move their business out of the country or they are not going to work in Canada if they do not get a discount on their taxes and they are not paying their fair share like everybody else.

The Liberals promised to close the loophole. Would the Conservatives do the same? Does my colleague think that the CEO stock option loophole is unfair?

• (1055)

Mr. Jamie Schmale: Mr. Speaker, I know my friend is a supporter of the free market for the most part and I do appreciate that.

I would point out to him a couple of things. One way to fix that would be a flat tax, which would fix the problem of tax avoidance altogether. This is the place for debate and we can discuss that back and forth.

I would also point out that as investment is currently fleeing this country in tens of billions of dollars in the oil and gas sector, jobs are being lost and opportunities are going south of the border where the environment is more favourable to business.

We are already seeing that the money the Liberal government paid to nationalize the Trans Mountain pipeline, those taxpayer dollars went to the United States to build infrastructure in that country. We continue to fund projects in other countries rather than attract investment to ours. It is totally backward. Do not even get me started with the Asian infrastructure bank, where we are paying to build pipelines in other countries except ours. We did nationalize, which we did not have to do, but that is a discussion for another day.

Mr. Todd Doherty (Cariboo—Prince George, CPC): Mr. Speaker, I find it rich that our hon. colleague from Winnipeg North proudly stands and talks about his government from day one when the Prime Minister has openly admitted that Canadians know that most small businesses are just an opportunity for rich people to hide their money and the finance minister conveniently forgot that he had a French chalet.

We have talked about government not being there to create jobs but it is there to create an environment for business to invest. I wonder if our hon. colleague would share some of the stories he has heard from local business owners in his riding about their concerns.

The Speaker: I am afraid the hon. member for Haliburton—Kawartha Lakes—Brock will only have about 10 seconds to share stories, so that will be a challenge.

Mr. Jamie Schmale: Mr. Speaker, because I come from an agriculture community, I will say this. Farmers are getting frustrated because in order for them to do business they continue to struggle with red tape and regulations which are strangling them. When it is more profitable to regulate the farm than be a farmer, we have a problem.

STATEMENTS BY MEMBERS

[*Translation*]

UNMANNED AERIAL SYSTEM CENTRE OF EXCELLENCE

Mr. Richard Hébert (Lac-Saint-Jean, Lib.): Mr. Speaker, the town of Alma in Lac-Saint-Jean provided the setting for a major event this week, a trade show hosted by the Unmanned Aerial System, or UAS, Centre of Excellence.

The TECH DEMO event was organized to showcase the latest technology developments in the UAS industry. The presentations were truly awe-inspiring. The innovation demonstrated by this centre of excellence in Lac-Saint-Jean impressed Nav Canada, Transport Canada and the National Research Council Canada.

I am very proud of the amazing work done by the UAS Centre of Excellence and especially by the mayor of Alma, Marc Asselin, and the CEO of the UAS Centre of Excellence, Marc Moffatt. The UAS Centre of Excellence is playing a key role in regional sustainable development. I am proud to support the success of Lac-Saint-Jean.

* * *

● (1100)

[*English*]

AGRICULTURE AND AGRI-FOOD

Mr. Arnold Viersen (Peace River—Westlock, CPC): Mr. Speaker, a few weeks ago, winter arrived in Alberta. Snow covered the fields before the summer had officially ended, but the farming men and women of Alberta are hardy people. The rest of us might grumble about the snow, but farmers have their livelihood at stake if they cannot harvest their crops. While we are all grateful that the snow has since melted, we pray that they can bring their crops in. Their work feeds the world.

Farmers are not alone in the fields. Bees love our long summer hours and the crops that we grow. This combination creates an amazing honey that has made Alberta the largest honey producer in Canada. In fact, our bees produce twice as much honey as the world average. In Alberta, even our bees work hard.

I salute our farmers and our beekeepers. Their perseverance year after year in the face of uncertain weather and their willingness to work long hours to produce top-quality products ensures that the rest of the world does not go hungry.

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CHARLOTTETOWN

Mr. Sean Casey (Charlottetown, Lib.): Mr. Speaker, imagine working on a cruise ship travelling to ports of call all over the world. Now picture pulling into port in Charlottetown, Prince Edward Island. This, of all places, was the city that inspired our Quebec-born singer/songwriter to write a song that has hit number one on French satellite radio.

Karine Ste-Marie was on the *Rotterdam* cruise ship in 2016 when it visited our city. It was on a beautiful fall day where she found inner peace and the motivation to write a song called *Charlottetown*.

[*Translation*]

The song describes how Charlottetown helped her vanquish her demons and make peace with the past. It is a song about deciding to go back home and knowing what she had to do.

Tomorrow night, Karine will return to Charlottetown to perform at the Cool Moon cultural festival.

[*English*]

I take this opportunity to publicly congratulate Karine on her success, and look forward to doing that in person tomorrow.

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[*Translation*]

POLICE AND PEACE OFFICERS' NATIONAL MEMORIAL DAY

Mr. Matthew Dubé (Beloeil—Chambly, NDP): Mr. Speaker, this Sunday is Police and Peace Officers' National Memorial Day. This day was officially proclaimed in 1998 to recognize the ultimate sacrifice made by men and women in uniform to keep our communities safe.

The first memorial in 1978 honoured 14 officers. This year, over 870 names were engraved on the honour roll.

[*English*]

On this day, we also remember the women and men affected by operational stress injuries and PTSD. Too often we hear of those who have lost their lives to the impact of what they have seen and been through in the line of duty. The cost of the unspeakable horrors these officers witness while keeping us safe cannot be understated.

On the eve of this year's Police and Peace Officers' National Memorial Day, let us pledge our love and support to the families and friends of those who have lost their lives keeping us safe, those who battle with the consequences of this difficult work, and those who continue to patrol our streets every day. They have our eternal thanks.

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AUTUMN

Mr. Majid Jowhari (Richmond Hill, Lib.): Mr. Speaker, this past weekend, I had the unique privilege of joining our Prime Minister at the mid-autumn moon gala, hosted by the Chinese Cultural Centre of Greater Toronto.

Traditionally a celebration of the harvest and success after a long year, across Richmond Hill and the greater Toronto area, the Chinese, Korean, and Vietnamese communities came together with family and friends to give thanks for good fortune.

As the autumn leaves change before our eyes, Canadians of all cultures and backgrounds will celebrate this time of renewal and traditional harvest with a diversity of observances. Whether it is the mid-autumn festival, Jashn-e Mehregan, or a Thanksgiving dinner, let us take a moment to pause as the season shifts and take stock of the things that matter in our lives, to reconnect with our family and friends.

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[*Translation*]

HOCKEY SUMMIT SERIES ANNIVERSARY

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Mr. Speaker, today we are celebrating an important anniversary in both Canadian history and hockey history.

On September 28, 1972, Canada beat the U.S.S.R. to win the hockey summit series in Moscow. With 34 seconds left in the eighth and final game of the series, Paul Henderson scored the most important goal in hockey history and Canadian history. Rarely has the country been so united.

Anyone who, like me, is 50 or older will remember exactly where they were when that goal was scored. As many will recall, there was no shortage of drama. It was the height of the Cold War, and Canada had to prove that we were the best. The Russians came and said they were there to learn. In the end, we were the ones who learned something. We learned to respect them for their outstanding abilities on the ice, and we also learned humility. That is what we need to remember.

● (1105)

[*English*]

The summit series is a milestone in Canadian and hockey history. Maybe the House of Commons is not the right place to say this, but as a Canadian and proud hockey fan, I urge the Hockey Hall of Fame to welcome Paul Henderson, the scorer of the most important goal in Canadian history.

[*Translation*]

ACT OF BRAVERY

Mr. Rémi Massé (Avignon—La Mitis—Matane—Matapédia, Lib.): Mr. Speaker, I rise today to commend an exceptional act of bravery performed during a successful rescue operation in the St. Lawrence River last Friday evening.

With the wind blowing at over 100 kilometres per hour, a sailboat with a couple on board ran aground in the St. Lawrence River, near Pointe-au-Père. A man and a woman are still alive today thanks to the men who took part in the rescue operation led by the Canadian Coast Guard Auxiliary in Eastern Quebec.

I would like to commend the courage and bravery of crew members Ted Savage, Jonathan Brunet, François-Xavier Bérubé-Dufour and Philippe Charbonneau. Thanks also to all the brave first responders who participated in this dangerous operation.

Those four men put their own lives at risk in extreme weather conditions to get the couple out of a dangerous situation. During the three-and-a-half hour operation, they remained calm and never gave up. These men from our community are heroes. Please join me in commending their bravery.

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LIBERATOR *HARRY* CRASH

Mr. David de Burgh Graham (Laurentides—Labelle, Lib.): Mr. Speaker, on Sunday, I will be at a ceremony in Saint-Donat to mark the 75th anniversary of the B-24D Liberator *Harry* crash.

On October 20, 1943, 24 Canadian military personnel returning home from the battlefield died on Black Mountain, which lies between my riding and Joliette. The crash site has become an important historic site in our region. It is the worst tragedy the Royal Canadian Air Force has ever experienced on Canadian soil.

I salute those who watch over the Liberator *Harry*, and the volunteers who have taken care of the site over the years. I congratulate André Gaudet and everyone who worked with him to organize this commemorative gathering. I am grateful to Héli-Tremblant, which volunteered to transport veterans to the mountain-top by helicopter.

I want to express my sincere respect for the families and descendants of the victims. It is our duty to remember all of the aviators and soldiers who have served our country.

* * *

[*English*]

YORKTON—MELVILLE FUNDRAISERS

Mrs. Cathay Wagantall (Yorkton—Melville, CPC): Mr. Speaker, I am proud to rise today to congratulate two incredibly hard-working charitable organizations in my riding of Yorkton-Melville.

The Health Foundation of East Central Saskatchewan and the Esterhazy and District Charity Golf Classic have raised millions of dollars for local health care and have both recently held very successful events. In July, the Health Foundation of East Central Saskatchewan raised almost $39,000 in one weekend at the second annual Rhythm 'n Ribs event. That fundraiser and others like the gala, radiothon and Farming for Health event helped purchase medical equipment for area hospitals and health care facilities.

Earlier this month, the Esterhazy and District Charity Golf Classic was held in my home town of Esterhazy, Saskatchewan. This was the 18th year for the golf tournament, which has been raising funds for a new hospital. This year's event brought in $205,000, bringing the 18-year total raised by this tournament in my community to more than $3.5 million.

Congratulations to all involved with these two great charities.

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[*Translation*]

GLOBAL DAY OF ACTION FOR ACCESS TO SAFE AND LEGAL ABORTION

Ms. Anita Vandenbeld (Ottawa West—Nepean, Lib.): Mr. Speaker, September 28 is the internationally designated global day of action for access to safe and legal abortion. According to the World Health Organization, about 25 million unsafe abortions take place every year around the world. An estimated 47,000 women die of complications every year.

[*English*]

Our government supports women's sexual health and reproductive rights, and we are unequivocally opposed to reproductive coercion in all its forms. We adopted a feminist international assistance policy that defends the rights of women and girls and are working closely with local women's groups, particularly in the areas of sexual and reproductive health, to ensure that the world's most vulnerable are protected and treated with the dignity they deserve.

Today, I thank all of the organizations around the world that are working hard to defend and protect women's reproductive rights.

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PERSONS WITH DISABILITIES

Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.): Mr. Speaker, this weekend, the West Island Association for the Intellectually Handicapped will celebrate its 60th anniversary with a block party at its historic building in Pointe-Claire in my riding of Lac-Saint-Louis.

Sixty years ago, parents who were looking to build a better community for their children came together with vision and determination to create a network of resources for those with intellectual disabilities and autism. Today, WIAIH promotes independence, health and social skills through a variety of fitness, education and leisure programs.

[*Translation*]

The philosophy of the West Island Association for the Intellectually Handicapped is informed by great respect for the notion that community-based living enables people with disabilities to achieve their potential for growth and self-fulfilment.

● (1110)

[*English*]

When I think of WIAIH, I think of Jean Vanier, who said, "When we love and respect people, revealing to them their value, they can begin to come out from behind the walls that protect them." Happy birthday to WIAIH, and congratulations for 60 years of fostering hope and inclusion.

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FOREIGN AFFAIRS

Mr. Harold Albrecht (Kitchener—Conestoga, CPC): Mr. Speaker, recently the Government of Nigeria successfully negotiated the release of 110 girls from Boko Haram. However, one girl, 15-year-old Leah, was detained because she refused to give up her Christian faith. Boko Haram has announced that Leah will be executed by the end of the month. A 25-year-old aid worker and mother of four who was captured by the same group was executed last week. Time is running short for Leah. She desperately needs our help now. I ask all Canadians to join me in praying for Leah's protection and release.

During this week that is focused on gender equality, it is important that we stand up for women everywhere. That means upholding human rights, creating a thriving economy, promoting peace and security and ensuring a higher quality of life worldwide. I call on the Minister of Foreign Affairs to step up and pressure the Nigerian government to do everything in its power to ensure that Leah is released immediately.

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[*Translation*]

ATHLETIC COACHES

Mr. Steven MacKinnon (Gatineau, Lib.): Mr. Speaker, I am pleased to rise today in the House to pay tribute to all of the coaches in Gatineau and across the country.

We always take time to acknowledge the athletic achievements of our athletes, children and young people, but their coaches are often forgotten.

I am sure each one of my colleagues had a coach who had a positive impact on them or on someone they know.

Coaches have an important job, both athletically and personally. They encourage our athletes to excel, through victory and defeat. These men and women are important and accessible role models in all of our communities.

I have witnessed this at the games and tournaments I attend in my role as MP. Coaches are often volunteers and do not count the hours they work, but they are always there for those early-morning and late-night practices.

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THE PLANET JOINS THE CAMPAIGN

Mr. Pierre Nantel (Longueuil—Saint-Hubert, NDP): Mr. Speaker, I have had the honour of representing the people of Longueuil—Saint-Hubert for seven years now. That has meant standing up for my constituents and everything that comes with the challenges facing our underprivileged families, with our transportation issues and access to the shores of the river. It has also meant developing our expertise in aerospace, agri-food, and the electrification of transportation.

Two other issues have become important to me since I was first elected to the House: reconciliation with indigenous peoples and the fact that quiet nationalism is reaching consensus in Quebec.

Every day I work on correcting this situation. These two issues have been added to the two priorities that first got me into politics in 2011, namely the fight against global warming and protecting our cultural industries. I am pleased to see that Quebec is celebrating culture days at the Théâtre du Nouveau Monde in Montreal, and at the Philippe Allard exhibit at the Maison de la culture in Longueuil. There is something for everyone.

All that culture will be for naught if the planet burns up because of global warming.

I invite everyone from the greater Montreal area to come march in the Planet Joins the Campaign rally being held this Saturday at 2 p. m. The starting point is Place Émilie-Gamelin at the Berri metro station.

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[*English*]

GOVERNMENT POLICIES

Mr. Jamie Schmale (Haliburton—Kawartha Lakes—Brock, CPC): Mr. Speaker, the Prime Minister's summer of failures is rapidly becoming his fall of failures. After months and months of failing to deliver on everything from trade to taxes to pipelines, this summer was his big opportunity to get it right, but opportunity quickly turned into disaster as his continued failures are having real consequences for Canadians: fewer jobs, less opportunity and uncertain futures.

Liberal economic policies have failed to create the growth Canada needs, as investment flees to other countries.

The Prime Minister has failed to fix the mess he created at the border, costing Canadians millions to house illegal border crossers in hotels. After spending $4.5 billion to buy a pipeline, we learned this summer that the pipeline will not even be built.

It is officially fall and we still do not have a plan to get shovels in the ground.

The Prime Minister and his ministers have kept the Ethics Commissioner busy this summer as yet another Liberal minister was found guilty of of breaking conflict of interest laws. Canadians are—

● (1115)

The Speaker: The hon. member for Long Range Mountains.

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LONG RANGE MOUNTAINS

Ms. Gudie Hutchings (Long Range Mountains, Lib.): Mr. Speaker, Australia, China, Austria and the U.S. are just a few of the countries that tourists come from to visit my beautiful riding of the Long Range Mountains, with over 250,000 folks visiting last year.

[*Translation*]

This growing industry employs more than 5,000 people in close to 600 of my riding's tourism businesses. The impact on all the other local businesses is incredible.

[*English*]

However, many tourists tell me of a problem, that they did not give themselves enough time to explore. They can start at the tip of Quirpon Island, go along the Viking Trail, the Main River Run, the Humber Valley, Bay of Islands, Port au Port, Codroy Valley, the Granite Coast, down south to the island of Ramea. Three of Destination Canada's signature experiences have homes in my riding and there are two world UNESCO heritage sites to visit: L'Anse aux Meadows and Gros Morne National Park. Moreover, do not forget Port au Choix National Historic Site.

[*Translation*]

Tourists come to explore my region all year round.

I would like to to thank people from all over the world for visiting my region, and I invite them to come visit again.

[*English*]

World tourism is the best.

ORAL QUESTIONS

[*English*]

JUSTICE

Hon. Candice Bergen (Portage—Lisgar, CPC): Mr. Speaker, when the Liberals took power in 2015, Tori Stafford's killer, Terri-Lynne McClintic, was behind bars locked up in a prison. Today, this murderer is at a scenic healing lodge surrounded by nature. Even worse, according to the commissioner of corrections, children regularly stay at this lodge. Here is a simple fact: Child killers should not be around children.

Will the Liberals take action and put this killer back behind bars?

Mrs. Karen McCrimmon (Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, our hearts go out to the family of Tori Stafford for the loss they endured and have lived these last nine years. The Minister of Public Safety has asked the new commissioner of corrections to fully review the placement decision made by her predecessor in order to ensure that it followed all the policies and procedures currently in place, and that these policies remain appropriate.

Hon. Candice Bergen (Portage—Lisgar, CPC): Mr. Speaker, the public safety minister has the ability and the authority to reverse this decision and put policies in place to ensure that this never happens again. Children are present at these healing lodges because the healing lodges are meant for offenders who are actually being reintegrated back into our society. Tori Stafford's killer is not even eligible for parole until 2031. She is not being reintegrated back into society.

Now, I know the Liberals are stuck on their talking points defending killers, but will they stand up for the rights of victims and for justice and do something to put this individual back behind bars?

Mrs. Karen McCrimmon (Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, section 28 of the corrections act says that inmate placement decisions must be made by corrections services. That act was created in 1992 by a Conservative government, and section 28 was last updated by the Harper government. As much as he might like to, the Minister of Public Safety cannot simply overrule laws, including those created by a Conservative government.

Hon. Candice Bergen (Portage—Lisgar, CPC): Mr. Speaker, well, that is weak and that is ineffective, because there are actually precedents from our Conservative government where the Minister of Public Safety reversed decisions. However, the difference is it was Conservatives who stand up for victims, not hug-a-thug Liberals who are always defending the rights of criminals.

After the Liberals' summer of failure, most Canadians are worse off, but there are a few winners: terrorist Omar Khadr, living large on an additional $10.5 million; cop killer Chris Garnier getting veterans benefits; and now Terri-Lynne McClintic, upgraded to a healing lodge.

How come the only people doing better under the Liberal government seem to be murderers?

Mrs. Karen McCrimmon (Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, as I already mentioned, the Minister of Public Safety has asked the corrections commissioner to do a review to make sure the current policies and procedures were indeed followed, and to determine whether those policies and procedures are still appropriate. We will await the findings of the commissioner.

● (1120)

[*Translation*]

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Mr. Speaker, this sad story is about common sense. Canadians want people found guilty of murdering children to be behind bars in prison. Unfortunately, in this particular case that has outraged all Canadians, this woman was transferred from a traditional penitentiary to a healing lodge. That is not right. Just imagine. She has her own bedroom, bathroom, kitchen and living room. This is a total failure of common sense.

The Liberals do have the power. The minister can reverse this decision. Why is he not doing so?

[*English*]

Mrs. Karen McCrimmon (Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, the decision to change the security classification of this particular inmate was made in 2014, under the previous government. That inmate was determined to be medium security and she remains in a medium-security institution.

[*Translation*]

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Mr. Speaker, the power to stop what is unacceptable does exist. In November 2001, a Liberal minister used this power when an offender who had murdered a police officer was to be transferred to another prison. The minister at the time put his foot down and prevented the transfer. He is now the Minister of Agriculture and Agri-Food.

Will the current Minister of Public Safety and Emergency Preparedness follow the example set by the current Minister of Agriculture who did the right thing in 2001?

[*English*]

Mrs. Karen McCrimmon (Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, regarding that transfer of an inmate in 2001, and the subsequent decision to transfer the inmate to another institution, the then solicitor general told this chamber, "The decision was made by Correctional Service Canada after evaluation to transfer him to another institution".

As Stephen Harper's former minister of public safety said, "I do not control the security classification of individual prisoners".

* * *

[*Translation*]

PUBLIC SAFETY

Mr. Matthew Dubé (Beloeil—Chambly, NDP): Mr. Speaker, we know that CSIS spied on environmental groups just because they spoke out against petroleum industry tactics. Organizations that advocate for better environmental protection and push the government to fight climate change are now considered a threat to national security. It was happening under the Conservatives, and it is still happening under the Liberals.

How can the government justify spying on Canadian citizens, and how is wanting to save the environment a threat to national security?

[*English*]

Mrs. Karen McCrimmon (Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, our government vigorously defends the rights of all Canadians to peaceful assembly and demonstration. In 2017, the Security Intelligence Review Committee investigated and dismissed the complaint at hand in this matter, finding that CSIS had not acted outside of its mandate and that its activities were reasonable and necessary. As the Federal Court is reviewing this decision, we cannot comment further at this time.

Mr. Matthew Dubé (Beloeil—Chambly, NDP): Mr. Speaker, with that answer, on the SIRC findings that are being referenced, the government is trying to keep those shared behind closed-door deliberations.

[*Translation*]

It is bad enough that CSIS spied on environmental activists, but apparently it then shared information with the National Energy Board and even some oil companies.

As I said, the government is trying to keep everything hush-hush and behind closed doors. When the government came to power, it had a lot to say about transparency, but it is not walking the talk.

What does the government have to hide? Why is all of this being done in secret?

[*English*]

Mrs. Karen McCrimmon (Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, we have introduced national security legislation that will clarify once and for all that advocacy, protest, dissent and artistic expression are not activities that undermine the security of Canada. They are, in fact, hallmarks of a free and democratic society.

Unlike the Harper Conservatives who labelled protesters as foreign-funded radicals, we recognize that not everyone will agree with all of our decisions.

Ms. Linda Duncan (Edmonton Strathcona, NDP): Mr. Speaker, yesterday, the Prime Minister claimed that he believes in the rights of all Canadians to peacefully protest, and yet proceedings before the Federal Court this week suggest the contrary. It has been revealed that CSIS is treating environmental activists as a threat to national security, and sharing this information with the National Energy Board and private corporations.

The Liberals promised to undo Harper's repressive Bill C-51. How then can the government accuse Canadians exercising their democratic rights as a risk to national security?

● (1125)

Mrs. Karen McCrimmon (Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, we are undoing Harper's Bill C-51. We have a proposed piece of legislation that will be before this House, Bill C-59, which will make improvements that people have been demanding. We have had the most widespread consultation on this proposed piece of legislation, and we are confident that it will reflect the needs and desires of the people of Canada.

Ms. Linda Duncan (Edmonton Strathcona, NDP): Mr. Speaker, this is personal, not just for me but for all Canadians who speak up for the protection of their communities' health and environment.

In the 1980s, Canadians were called "unAlbertan" for protesting a dam. The utilities board was later shut down when it was discovered that the utilities board was spying on farmers who were protesting a power line.

I call on the government to rein in CSIS now before Canadians' democratic rights to protest are further eroded.

Mrs. Karen McCrimmon (Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, I want to reinforce what I said earlier. We have introduced national security legislation that will clarify once and for all that advocacy, protest, dissent and artistic expression are not activities that undermine the security of Canada.

Bill C-59 was developed with the most extensive consultation we have ever done. It will reflect the needs and desires of the Canadian people.

* * *

HEALTH

Ms. Marilyn Gladu (Sarnia—Lambton, CPC): Mr. Speaker, the national pharmacare online consultation that the Liberals are doing does not even mention rare diseases. One in 12 Canadians has a rare disorder. Why is the health minister systematically discriminating against this group and will she update her consultations to ensure that input on rare diseases is included?

Mr. John Oliver (Parliamentary Secretary to the Minister of Health, Lib.): Mr. Speaker, our government is committed to improving access to necessary prescription medications including orphan drugs as we understand the difficulties experienced by people dealing with rare medical conditions. To that end, we have launched a regulatory review of drugs and devices initiative, a major effort to improve the availability of prescription medications including drugs for rare diseases.

Last year, our government authorized 36 new drugs and we look forward to the health committee's report on rare diseases.

Ms. Marilyn Gladu (Sarnia—Lambton, CPC): Mr. Speaker, first, it was discrimination against people with type 2 diabetes, and then autism, and then multiple sclerosis, and now this. Yesterday, the rare disease organization testified that the Liberal government has not kept any of its promises on access to drugs for rare diseases. Now they are being excluded from the pharmacare discussions.

Why are the Liberals discriminating against people with rare diseases?

Mr. John Oliver (Parliamentary Secretary to the Minister of Health, Lib.): Mr. Speaker, our government is committed to improving access to necessary prescription medication, including orphan drugs, as we understand the difficulties experienced by people dealing with rare diseases. We are working on improving access to orphan drugs. We have, as I said earlier, launched a regulatory review of drugs and devices initiative and we encourage people with rare diseases to work with the implementation of a national pharmacare council to give advice to the development of those recommendations.

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JUSTICE

Mrs. Cathy McLeod (Kamloops—Thompson—Cariboo, CPC): Mr. Speaker, healing lodges are for criminals who are getting ready to transition back into society. It is job training, language, culture and household maintenance. Healing lodges are not appropriate for Tori Stafford's murderer who is not eligible for parole until 2031. Her crimes are heinous and she belongs behind bars.

Why can the Liberals not see this? Why can they not act? They are hiding behind a lot of excuses and they just need to actually do something appropriate and take action.

Mrs. Karen McCrimmon (Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, I will repeat again. Section 28 of the Corrections Act says that inmate placement decisions must be made by Correctional Services. That act was created in 1992 by a Conservative government and Parliament decided that the power did not belong to a minister. Section 28 was last updated by the Harper government. As much as he might like to, the Minister of Public Safety cannot simply overrule laws created.

Mrs. Cathy McLeod (Kamloops—Thompson—Cariboo, CPC): Mr. Speaker, despite all of the money they spent on deliverology, they clearly did not learn any lessons. We have something here that is absolutely absurd. We have someone who is a murderer who is in a facility where children play. It has been less than nine years since she committed her offence. Instead of hiding behind excuses, other ministers have taken action in other governments. It is time for the government to act.

● (1130)

Mrs. Karen McCrimmon (Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, all Canadians share the grief and the pain of the family of little Tori Stafford. That being true, the minister has asked the Commissioner of the Correctional Service of Canada to review this case and ensure that all the policies and procedures that are in place were appropriately applied. He has also asked her to review to make sure that these policies and procedures remain appropriate.

[*Translation*]

Mrs. Sylvie Boucher (Beauport—Côte-de-Beaupré—Île d'Orléans—Charlevoix, CPC): Mr. Speaker, the Canadian Victims Bill of Rights is a supra-constitutional statute, which includes the right to information for victims and their families. It is unacceptable that Tori Stafford's parents were only informed after their child's killer was transferred. They should have been informed much sooner. This fiasco has only added to the family's pain and trauma.

Will the Prime Minister take responsibility and cancel this offender's transfer, yes or no?

[*English*]

Mrs. Karen McCrimmon (Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, it is important that we understand what the requirements are, what the policies are and what the legal actions available to all ministers and members of government are. Section 28 makes it quite clear that the authority to make a different placement decision rests with the Correctional Service of Canada. That power does not belong to a minister.

Mr. John Nater (Perth—Wellington, CPC): Mr. Speaker, Terri-Lynne McClintic pleaded guilty to the first degree murder of eight-year-old Victoria Stafford of Woodstock. She was eight years old. Now McClintic is being transferred from a prison with bars and razor wire to a healing lodge, a healing lodge where the commissioner of corrections has confirmed there are children present. Every Liberal on that side knows this is wrong.

Will the Prime Minister reverse this decision?

Mrs. Karen McCrimmon (Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, the minister has asked the commissioner of the Correctional Service of Canada to review this case to ensure that all decision-making was properly done in accordance with the law and long-standing policies that stretch back more than a decade.

To correct the public record, I want to confirm that CSC's correctional facility has both minimum and medium security capacity. This particular offender was classified as medium security back in 2014.

* * *

[*Translation*]

EMPLOYMENT

Ms. Christine Moore (Abitibi—Témiscamingue, NDP): Mr. Speaker, every time I am in my riding, business owners talk to me about all the hoops they have to jump through to stay in business because of the labour shortage.

Although they are cutting business hours, increasing wages and trying to recruit abroad, they still cannot see the light at the end of the tunnel. They are working crazy hours so that their years of investment are not all for nothing.

The Liberals need to understand that this cannot go on much longer. Business owners are exhausted.

What is their plan?

[*English*]

Ms. Jennifer O'Connell (Parliamentary Secretary to the Minister of Finance (Youth Economic Opportunity), Lib.): Mr. Speaker, the fact remains that Canada and our government are firmly focused on investing in small businesses and ensuring that we create a competitive economy for entrepreneurs to grow their businesses. We have lowered small business taxes and taxes on the middle class. The Minister of Finance pointed out yesterday that we have had 8% growth in business investment in the last six consecutive quarters. Our government is making investments to ensure that Canadian businesses thrive.

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INDIGENOUS AFFAIRS

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, the Liberals fought the Human Rights Tribunal over four non-compliance orders, ignored an order of Parliament to flow funds to the underfunded child welfare system, and the price of that delay was the death of 12 children in the broken foster care system in Ontario. I encourage the government to read that report. It is a damning indictment of children being disappeared into a gulag of hopelessness. The report shows that indigenous children are still suffering systemic negligence from underfunded education, lack of mental health services and even lack of protection from abuse.

Does the government not understand that the primary responsibility of a nation is to protect its children?

● (1135)

Mr. Dan Vandal (Parliamentary Secretary to the Minister of Indigenous Services, Lib.): Mr. Speaker, the overrepresentation of indigenous children in the child welfare system is a humanitarian crisis. Our government is reforming the current broken system, which takes far too many indigenous children into its care. We are providing funding for first nation child and family services agencies based on actual needs, with an emphasis on prevention. We are working with our partners to transform the delivery of indigenous child welfare so that it is community directed and focused on prevention.

* * *

JUSTICE

Mrs. Stephanie Kusie (Calgary Midnapore, CPC): Mr. Speaker, a person who is convicted of murdering a child deserves to be behind bars. A judge sentenced Terri-Lynne McClintic to be behind bars until 2031 for the brutal murder of eight-year-old Tori Stafford. Instead, she is being held at a lodge that does not even have a fence.

Will the Prime Minister use the power he has to correct this wrong?

Mrs. Karen McCrimmon (Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, our hearts do go out to the family of Tori Stafford for the loss they endured.

The Minister of Public Safety has requested that the commissioner of corrections do a review of that placement, make sure that all policies and procedures were followed and ensure that the policies and procedures in place are indeed appropriate. The offender is currently housed in a correctional institution equipped to provide programming in a medium security environment.

Mrs. Stephanie Kusie (Calgary Midnapore, CPC): Mr. Speaker, we ended pizza parties for criminals, and the government cannot even keep a child killer behind bars.

The prison system reports to the Minister of Public Safety. Terri-Lynne McClintic needs to be behind bars and surrounded by razor wire, not by trees and children. The minister has the power to reverse this decision. When will he?

Mrs. Karen McCrimmon (Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, as media reports today confirm, the decision on which institution to place an inmate in cannot be made by the Minister of Public Safety. It must be made by Correctional Service Canada.

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NATURAL RESOURCES

Mr. Bob Benzen (Calgary Heritage, CPC): Mr. Speaker, this summer the Prime Minister failed to get construction started on the Trans Mountain pipeline expansion. He could use legislation to deliver this pipeline, but instead he is content to claim helplessness in face of the forces lined up against it and content to allow the project to sit idle.

Since the Prime Minister has no plan, will he commit today to adopting the step-by-step path presented by the leader of Canada's Conservatives and finally get this project built?

Hon. Amarjeet Sohi (Minister of Natural Resources, Lib.): Mr. Speaker, we are working and will continue to work hard to make sure that projects such as the Trans Mountain pipeline expansion move forward in the right way. What the hon. member is proposing are the failed policies of the Harper government, which did not get a single pipeline built to expand our global, non-U.S. markets.

We are going to do things differently. We are going to engage with indigenous peoples to make sure we are respecting their constitutional right to be consulted in a meaningful way, and we will take action on the environment.

Mr. Jamie Schmale (Haliburton—Kawartha Lakes—Brock, CPC): Mr. Speaker, Alberta oil and gas supports more than 1,000 Ontario businesses. More than 69,000 Ontarians have Alberta oil and gas to thank for their jobs. Ontario construction companies and manufacturing and technology firms, hospitals and schools all benefit from Alberta oil and gas. It is estimated that a healthy domestic energy sector will provide $50 billion in revenue to Ontario over the next 20 years. Ontario wants a plan to build this pipeline. When will the government stop the delays and build the Trans Mountain pipeline?

Hon. Amarjeet Sohi (Minister of Natural Resources, Lib.): Mr. Speaker, we know that Canada's energy sector has been a source of well-paying middle-class jobs and will remain a source of well-paying middle class jobs for decades to come. That is why we we are working really hard to expand our global, non-U.S. markets, so we can get a better price for our natural resources and create thousands and thousands of jobs that have been lacking because of the failed policies of the Harper government, which failed to build a single pipeline to non-U.S. markets. We will do it the right way.

* * *

● (1140)

VETERANS AFFAIRS

Mr. Gord Johns (Courtenay—Alberni, NDP): Mr. Speaker, Sean Bruyea is a decorated veteran and a strong advocate for veterans in Canada. For their contributions and sacrifices, all veterans and their families deserve to be supported and treated with respect by their government, yet when Mr. Bruyea presented estimates to the government, the minister attacked his character and called them mistruths. The minister's own staff told him that Mr. Bruyea's comments were accurate, and his estimates were confirmed by departmental documents.

My question is simple. Will the minister stand in the House right now and apologize to Mr. Bruyea?

[*Translation*]

Mr. Stéphane Lauzon (Parliamentary Secretary to the Minister of Veterans Affairs and Associate Minister of National Defence, Lib.): Mr. Speaker, we have made sure to inform veterans and their families of the benefits and programs available to them. It is important to explain what the pension for life is all about. That is why our minister held more than 40 public consultations in order to tell people about the pension for life. I can say that we have had excellent results.

Ms. Christine Moore (Abitibi—Témiscamingue, NDP): Mr. Speaker, as the Prime Minister himself has acknowledged, it is unacceptable that female veterans, especially those who are francophone, are not receiving the same level of service as male veterans. Since the government is running massive recruitment campaigns to encourage women to join the army and asking female veterans to go through the difficult experience of talking about attacks and harassment they may have been subjected to during their service, could the government try to understand that immediate steps need to be taken to ensure that services are delivered in both official languages?

Mr. Stéphane Lauzon (Parliamentary Secretary to the Minister of Veterans Affairs and Associate Minister of National Defence, Lib.): Mr. Speaker, I thank my colleague for raising the subject. Gender equality is very important to us. The provision of our benefits is based on demand. Regardless of whether 10 veterans or 10,000 submit claims, they are all eligible and all subject to the same provisions.

[*English*]

IMMIGRATION, REFUGEES AND CITIZENSHIP

Ms. Pam Damoff (Oakville North—Burlington, Lib.): Mr. Speaker, our economy is booming and a key factor in this economic strength is our immigration program. Our government understands that a strong and smart immigration system supports our economy, creates Canadian jobs and fills labour market needs. In my riding of Oakville North—Burlington, we see workers and entrepreneurs like Ancilla Ho-Young who have immigrated to our country and are making positive contributions to our society. Can the minister expand on why immigration matters to Canada's economy?

[*Translation*]

Hon. Ahmed Hussen (Minister of Immigration, Refugees and Citizenship, Lib.): Mr. Speaker, I thank the member for Oakville North—Burlington for her question.

[*English*]

This year I travelled from Halifax to Coquitlam and from Drummondville, Quebec to Whitehorse, Yukon. With an aging population and labour shortages, which I was able to witness all across our country, we have responded as a government by introducing a responsible immigration program that will ensure a measured, responsible rate of growth. Our programs are simply attracting the best and the brightest talent from around the world. As a government, we will continue to ensure that we create good middle-class jobs for Canadians and a good economy.

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VETERANS AFFAIRS

Mrs. Cathay Wagantall (Yorkton—Melville, CPC): Mr. Speaker, for outraged veterans and the victim's family, there has been no explanation by the Minister of Veterans Affairs that in any way justifies providing Christopher Garnier with veterans funding to treat his PTSD that resulted from his brutal, deliberate killing of officer Catherine Campbell. Catherine's family are looking for this part of their nightmare to end, and the only way for that to happen is to stop paying veterans benefits to Christopher Garnier. On behalf of the victim's family, will the minister do the right thing?

Mr. Stéphane Lauzon (Parliamentary Secretary to the Minister of Veterans Affairs and Associate Minister of National Defence, Lib.): Mr. Speaker, our hearts go out to the family of Constable Campbell. We have reviewed the funding and directed the department to ensure that the services received by family members of veterans are related to the veteran's service and, when they are not, that the case be reviewed by a senior official, and that the policy of providing treatment to family members under extenuating circumstances, such as convictions for serious crime, be addressed. This will ensure that we continue to support veterans and their families when they need help.

Mr. Robert Kitchen (Souris—Moose Mountain, CPC): Mr. Speaker, I have a constituent who has been waiting over a year for his disability claim to be processed by Veterans Affairs. Dylan, a veteran, honourably and faithfully served our country, yet Christopher Garnier, a convicted murderer who never served a day in his life, continues to get his private PTSD therapy covered by Veterans Affairs, PTSD that was caused by his murdering of Constable Catherine Campbell. When will the minister stop disrespecting Canadian veterans and end this murderer's taxpayer-funded treatment?

● (1145)

Mr. Stéphane Lauzon (Parliamentary Secretary to the Minister of Veterans Affairs and Associate Minister of National Defence, Lib.): Mr. Speaker, let us talk about respect.

[*Translation*]

We on this side of the House fully understand what families go through every time the Conservatives rake up a situation like this. Imagine what these families must be going through. Imagine how painful it is to recall each of these cases.

For privacy reasons, we cannot comment directly on a specific case, as my colleague opposite is well aware.

We will always stand with our veterans, but with respect.

Mr. Richard Martel (Chicoutimi—Le Fjord, CPC): Mr. Speaker, it took a very long time for the Minister of Veterans Affairs to issue a directive ensuring that a civilian would no longer be able to receive benefits from a program for veterans and their families if he or she is in prison. If not for the pressure applied by Conservatives, who forced the minister to take a stand, nothing would have been done.

What will now happen to Christopher Garnier's benefits? When will the minister take responsibility and show leadership by cancelling the benefits?

Mr. Stéphane Lauzon (Parliamentary Secretary to the Minister of Veterans Affairs and Associate Minister of National Defence, Lib.): Mr. Speaker, our hearts go out to the Campbell family.

Once again, I want to take this opportunity to say that this petty politics is insensitive. It shows a lack of compassion for the families. We answered the question. Unlike the Harper Conservatives, we understand that when a veteran serves, their whole family serves with them. We will always stand by our veterans.

[*English*]

Hon. Erin O'Toole (Durham, CPC): Mr. Speaker, the Minister of Veterans Affairs refuses to apologize to a veteran whom he personally attacked. The minister's own department confirms that Sean Bruyea is right about the Liberals' broken promise on pensions. The War Amps has confirmed there is a Liberal broken promise to veterans, and today we learned that the Library of Parliament has confirmed that Mr. Bruyea's assessment was correct. We do not care about how many meetings the minister has had, because he has been misleading veterans. Will he stand today in the House and apologize to Sean Bruyea for the personal attack?

[*Translation*]

Mr. Stéphane Lauzon (Parliamentary Secretary to the Minister of Veterans Affairs and Associate Minister of National Defence, Lib.): Mr. Speaker, our hearts go out to the Campbell family. For privacy reasons, we cannot discuss this particular case.

All I am asking our colleagues opposite is to show some compassion and to think of what families must go through every day. They are putting back on the table a very sensitive and delicate file. I am asking them to show a bit of compassion for our veterans.

[*English*]

The Speaker: Order. I have heard a lot from the hon. member for Barrie—Innisfil, and he has not had the floor. I ask him to restrain himself, not to interrupt and to wait until it is his turn, which will come eventually, I am sure.

The hon. member for Kootenay—Columbia.

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THE ENVIRONMENT

Mr. Wayne Stetski (Kootenay—Columbia, NDP): Mr. Speaker, a Narwhal investigation recently revealed that the Liberals have broken their promise to stop muzzling Canada's scientists.

A Parks Canada biologist said he was "painfully aware" of the agency's restrictive treatment of the media. Reporters are finding that their interviews with employees are "highly scripted and can take a long time to organize".

Canadians need to know that scientists can, as the minister has said, speak freely about their work to the media and to the public. How can the government claim the high ground while following in the Conservatives' footsteps? When will the muzzling end?

Hon. Catherine McKenna (Minister of Environment and Climate Change, Lib.): Mr. Speaker, let us be very clear that we believe our scientists should be out there. They should be talking about the science, and we need to hear their voices. I have always been clear about that in my portfolio with Parks Canada and the Canadian Environmental Assessment Agency and Environment and Climate Change Canada.

I will continue to say that scientists should speak out about science. We need to make decisions based on science, and that is what our government believes and is acting on.

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[*Translation*]

CANADIAN HERITAGE

Mr. Pierre Nantel (Longueuil—Saint-Hubert, NDP): Mr. Speaker, yesterday, 42 creators and artisans of our culture signed an open letter calling on the government to defend the cultural exemption in NAFTA and to ensure that it applies to online platforms, so that we can compel these platforms to contribute to our culture.

This means that signing agreements where Netflix does not have to pay any taxes or contribute anything or produce anything in French no longer flies.

Will the Liberals guarantee that Quebec and every government in Canada will be able to keep their right to protect our culture? We are not just going to give up our cultural policies as chump change in the NAFTA negotiations, are we?

● (1150)

[*English*]

Mr. Andy Fillmore (Parliamentary Secretary to the Minister of Canadian Heritage and Multiculturalism, Lib.): Mr. Speaker, our government has been clear. The cultural exemption must stand with a renegotiated NAFTA. The Prime Minister has stated it, and I am repeating it today.

Protecting our creative industry means protecting our culture. It means protecting a $53.8 billion industry representing over 650,000 quality jobs for middle-class Canadians. We will defend our cultural sovereignty in the cultural sector within a future deal, because it is the right thing to do for Canada.

* * *

[*Translation*]

INTERNATIONAL TRADE

Mr. Joël Godin (Portneuf—Jacques-Cartier, CPC): Mr. Speaker, this government is holding Canadian businesses hostage and making consumers pay. Having placed itself in position of weakness in the NAFTA negotiations, it is overtaxing consumer products.

Biscuits Leclerc, which also owns plants in the United States, has to pay a surtax to import its own products into its own country. It is the consumers who will end up paying for this.

Why will this government not respect our Canadian businesses and why is it sending the bill—resulting from its own mismanagement—to Canadians?

Hon. Andrew Leslie (Parliamentary Secretary to the Minister of Foreign Affairs (Canada-U.S. Relations), Lib.): Mr. Speaker, we certainly understand that these illegal measures have created real challenges for Canadian businesses and workers. That is why we have already set up a $2-billion fund to defend the interests of Canada's workers and businesses. This includes extending work-sharing agreements, funding for training, funding to improve the productivity of Canadian manufacturers, and support to help businesses diversify their exports.

[*English*]

Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC): Mr. Speaker, the Liberals are targeting Canadian small businesses yet again. For what reason? It is for being small. They are refusing to allow firms with under 200 employees to apply for tariff relief. This means that small businesses are being forced to either eat those costs or raise their prices for Canadian consumers.

The Liberal plan on tariffs is to redirect that money to the large firms with the high-priced lobbyists. Why are the Liberals ignoring small business owners who are hardest hit by these tariffs?

[*Translation*]

Mr. Richard Hébert (Parliamentary Secretary to the Minister of Small Business and Export Promotion, Lib.): Mr. Speaker, as the son of small business owners, I understand the impact that government measures can have on Canada's economy and businesses. That is why we have launched programs, innovative solutions, and a procurement program designed to support early-stage research and development.

To the Conservatives, supporting middle-class small businesses means putting more money in the pockets of millionaire big business owners who do not need it. We, on the other hand, believe that tax cuts should go to the companies that deserve it, because they are the backbone of the economy.

[*English*]

Mr. Colin Carrie (Oshawa, CPC): Mr. Speaker, millions of jobs depend on the survival of NAFTA, and Oshawa's auto sector is worried that no deal will result in catastrophic job losses. Last year, RBC Economics reported that 500,000 jobs alone are vulnerable if NAFTA fails, and the Canadian Automobile Dealers Association has suggested an additional 100,000 jobs could be lost in Ontario if the U.S. imposes auto tariffs on Canada.

Will the Prime Minister confirm that Canada will be exempt from auto tariffs should no deal be reached by this week?

Hon. Andrew Leslie (Parliamentary Secretary to the Minister of Foreign Affairs (Canada-U.S. Relations), Lib.): Mr. Speaker, let us talk about some economic facts. In July, Canada exported a record high of more than $51 billion, supporting millions of middle-class jobs. We had the highest GDP growth in the G7 last year. We have created over half a million jobs since coming into power.

We are working to build on those record exports by getting the right deal for NAFTA. We are committed to defending our national interests.

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SCIENCE

Mr. Robert Morrissey (Egmont, Lib.): Mr. Speaker, this government has made strong science-based decision-making one of its priorities. This was first demonstrated to Canadians when the government re-established the position of chief science adviser to Canada, which the Harper Conservatives got rid of.

What else has our government been doing to ensure that science-based decision-making continues to be a priority?

● (1155)

Mr. Sean Casey (Parliamentary Secretary to the Minister of Fisheries, Oceans and the Canadian Coast Guard, Lib.): Mr. Speaker, I would like to thank that upstanding member of Parliament from Prince Edward Island for that excellent question.

Some of the many highlights of budget 2018 include $210 million for the Canada research chairs program and $1.2 million for granting councils, but there is more. Recently, the Minister of Fisheries, Oceans and the Canadian Coast Guard and the Minister of Environment and Climate Change announced the establishment of new departmental science adviser positions. These science advisers will play an important role in supporting quality scientific research within federal departments, which will help ensure that government science is fully available to the public.

* * *

JUSTICE

Mr. Arnold Viersen (Peace River—Westlock, CPC): Mr. Speaker, last spring I went to Washington and stood with victims of sex trafficking as they celebrated the major passing of FOSTA-SESTA in Congress, removing the existing immunity for companies that knowingly profit from sex trafficking. Now tech companies are lobbying the U.S. government to bring back sex trafficking immunity provisions in NAFTA in the negotiations with Canada.

Can the government confirm that a Canada-U.S. trade deal will not import the ability of companies to legally profit from sex trafficking?

Mr. Arif Virani (Parliamentary Secretary to the Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I can confirm in the House that this government takes the issue of sex trafficking and trafficking in general with the utmost seriousness. We will always address this issue with the utmost concern.

We will take the member's comments into consideration with respect to our negotiations, both in what we are doing domestically and in what we are doing internationally.

A report is coming through from the Standing Committee on Justice on human trafficking, including sex trafficking. We wait eagerly for the results of that committee's recommendations.

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EMPLOYMENT

Ms. Kim Rudd (Northumberland—Peterborough South, Lib.): Mr. Speaker, in Canada, we are fortunate that a person's socio-economic background does not automatically limit the opportunities that are available to them, especially when it comes to education. In fact, Canada leads both the OECD and the G7 when it comes to children being able to complete post-secondary education in families where their own parents did not. This means that more young people are able to get the skills they will need to succeed in a changing economy.

What is the government doing to make sure that there are good economic opportunities for these young Canadians when they graduate?

Ms. Jennifer O'Connell (Parliamentary Secretary to the Minister of Finance (Youth Economic Opportunity), Lib.): Mr. Speaker, Canada has made great progress, but there is more work to be done. Young Canadians still feel that they do not have the same economic opportunities afforded to their parents. They are hard working, talented and ambitious and have the right skills, but there are still challenges to addressing the changing labour market.

In my new role as PS to finance, I am focused on youth economic opportunities. I look forward to working with young Canadians across this country to make sure that they are a part of our thriving economy.

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IMMIGRATION, REFUGEES AND CITIZENSHIP

Mr. Pat Kelly (Calgary Rocky Ridge, CPC): Mr. Speaker, Mohammad Borna has been waiting since 2006 to find out if he can stay in Canada. His application has been completed for over 10 years, but the Department of Citizenship and Immigration has failed to give him an answer, including this past summer, when another promised decision date came and went. I repeatedly brought this to the attention of Minister McCallum and to the current minister.

Will the minister today commit to a date by which a decision on Mr. Borna will be made? His family needs to know.

Hon. Ahmed Hussen (Minister of Immigration, Refugees and Citizenship, Lib.): Mr. Speaker, the hon. member knows that, although I am aware of this case, I cannot go into the private details of a particular case due to privacy laws.

My door is always open to engage members of Parliament as they advocate on behalf of their constituents. I invite the hon. member to approach me at any moment to discuss this case.

* * *

[*Translation*]

INTERNATIONAL TRADE

Mr. Gabriel Ste-Marie (Joliette, BQ): Mr. Speaker, the Wall Street Journal is reporting that Donald Trump plans to tell Congress today that the NAFTA talks have failed. It is now clear that he always hoped they would fail, so he could proclaim that he stands for "America first" at his rallies.

No matter what the government might have given up on supply management, there would never have been an agreement. The government would be at a disadvantage in the real negotiations after the mid-term elections.

Can the government guarantee that it made no concessions whatsoever in Donald Trump's fake negotiations, or did it weaken our agriculture industry for nothing?

Hon. Andrew Leslie (Parliamentary Secretary to the Minister of Foreign Affairs (Canada-U.S. Relations), Lib.): Mr. Speaker, we have always made it clear that no NAFTA deal is better than a bad deal. We are going to uphold this principle, because Canadians expect us to stand up for them. That is exactly what we did, and that is what we are doing now.

● (1200)

Mr. Gabriel Ste-Marie (Joliette, BQ): Mr. Speaker, for months, the government has been telling us that it is prepared for any eventuality in the NAFTA negotiations. For months it has been telling us that it has a plan to protect Canadians' interests, whether the negotiations fail or succeed. However, we still have not seen the slightest hint of a plan.

Everyone is worried, including Quebec workers and business owners.

Now that it has become clear that Donald Trump would rather provoke a crisis than sign an agreement, can the Liberals tell us what their so-called plan is?

Hon. Andrew Leslie (Parliamentary Secretary to the Minister of Foreign Affairs (Canada-U.S. Relations), Lib.): Mr. Speaker, I love being given an opportunity to share facts with my colleague.

For example, in July, Canadian exports rose to a record level of over $51 billion, part of which went to Quebec.

We are building on achievements. When it comes to NAFTA, we want a good deal for Canadians. Of course we are going to defend our national interests.

We will not sign just any deal. We will sign a good deal for Canada.

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NATURAL RESOURCES

Ms. Monique Pauzé (Repentigny, BQ): Mr. Speaker, after being chastised by the courts, the government was forced to redo the Trans Mountain pipeline assessment. The problem is that the government is both judge and jury, so this is a blatant conflict of interest.

The government bought the pipeline. It promised the House the project would be built. It is allowing just 22 weeks for the new assessment, and Trans Mountain's CEO has publicly stated that construction will begin next summer.

Does anyone really expect us to believe the outcome of the assessments is not a fait accompli?

[*English*]

Hon. Amarjeet Sohi (Minister of Natural Resources, Lib.): Mr. Speaker, we have a clear plan, and we have instructed the National Energy Board to reconsider recommendations, taking into account the effect of the project related to shipping. Second, we will present to the NEB all the work that has been done by the government on protecting the ocean as well as coastal communities.

We will move forward on this project with proper consultation and a meaningful dialogue with indigenous Canadians and communities so that we can move on in the right way.

FINANCE

Mr. Erin Weir (Regina—Lewvan, CCF): Mr. Speaker, yesterday Statistics Canada reported that average weekly earnings dropped by 0.4% nationally and by a a full percentage point in Saskatchewan, which is now tied for the slowest earnings growth among the provinces. Governments can help boost employee earnings by enforcing fair and minimum wages. Unfortunately, Canada still does not have a federal minimum wage.

When will the government enact a federal minimum wage of at least $15 per hour?

Ms. Jennifer O'Connell (Parliamentary Secretary to the Minister of Finance (Youth Economic Opportunity), Lib.): Mr. Speaker, the fact remains that we continue to reduce taxes for the middle class. In addition to that, we have seen the lowest unemployment rate in nearly 40 years, and as a result of our investments, a typical Canadian family will be approximately $2,000 better off than under the previous Conservative government.

Our investments are working. Our economy is growing. We have one of the best balance sheets in the G7. These are commitments that are going to benefit all Canadians across this country.

[*Translation*]

The Speaker: The hon. member for Beauport—Côte-de-Beaupré—Île d'Orléans—Charlevoix is rising on a point of order.

Mrs. Sylvie Boucher: Mr. Speaker, I would like to remind my Liberal colleague over there that nobody can accuse us of lacking compassion because we ask questions about victims of crime. I would like—

The Speaker: I thank the hon. member, but that is not a point of order, it is a point of debate.

ROUTINE PROCEEDINGS

[*Translation*]

FOREIGN AFFAIRS

Hon. Andrew Leslie (Parliamentary Secretary to the Minister of Foreign Affairs (Canada-U.S. Relations), Lib.): Mr. Speaker, pursuant to Standing Order 32(2), I have the honour to table, in both official languages, a document entitled "Canada's National Action Plan for the Implementation of United Nations Security Council Resolutions on Women, Peace and Security, 2017-18 Progress Report".

● (1205)

[*English*]

PETITIONS

CANADA SUMMER JOBS PROGRAM

Mr. Dane Lloyd (Sturgeon River—Parkland, CPC): Mr. Speaker, I rise today to present a petition on behalf of my constituents and Canadians who oppose the Liberal government's ideological and discriminatory summer jobs program attestation.

This petition, signed by over 500 Canadians, calls on the government to respect the deeply-held beliefs of millions of Canadians. Any government that requires an attestation of belief violates the Charter of Rights, chiefly sections 2(a) and 2(b), which guarantee freedom of conscience and religion and freedom of belief.

I call on the government to repeal this hateful attestation.

The Speaker: I remind honourable colleagues that presenting petitions is not the time to take part in debate and express their personal opinions on matters, but to simply present what the petitioners are saying.

The hon. member for Beloeil—Chambly.

[*Translation*]

TRANS MOUNTAIN PIPELINE

Mr. Matthew Dubé (Beloeil—Chambly, NDP): Mr. Speaker, I have the honour to present a petition initiated by David Morin of Mont-Saint-Hilaire and other residents of my riding who attended various events over the summer to gather signatures. They are calling on the government not to spend taxpayers' money on the Trans Mountain pipeline and to halt the expansion.

I am very proud of these constituents of mine, and I am very proud to present the fruit of their efforts. I hope the government will listen to them.

[*English*]

THE ENVIRONMENT

Mr. Gord Johns (Courtenay—Alberni, NDP): Mr. Speaker, it is an honour to table a petition on behalf of residents from Tofino, British Columbia.

The petitioners call on the government to create a national strategy to combat plastics from entering our waterways. They are looking at regulations aimed at reducing plastic debris discharged from stormwater outfalls; industrial use of microplastics, including microbeads, nurdles, fibrous microplastics and fragments; and consumer and industrial use of single-use plastics, including polystyrene, which is filling up our ocean, cigarette filters and beverage containers.

The would like permanent, dedicated and annual funding for the clean up of derelict fishing gear and community-led cleanup projects to protect our shores, banks, beaches and aquatic peripheries.

CANADA SUMMER JOBS PROGRAM

Mr. Jamie Schmale (Haliburton—Kawartha Lakes—Brock, CPC): Mr. Speaker, I appreciate the opportunity to present this petition on behalf of constituents from across Ontario.

The petitioners call on the Prime Minister to defend the freedoms of conscience, thought and belief and withdraw the attestation requirement for applicants to the Canada summer jobs program.

CROOKED LAKE LEASEHOLDERS

Mrs. Cathay Wagantall (Yorkton—Melville, CPC): Mr. Speaker, I am presenting a petition this morning on behalf of cottage owners and homeowners, whose cottages and homes are located at Crooked Lake, Saskatchewan, on land leased from the Government of Canada.

The petitioners wish to draw attention to the 650% to 700% lease increase being imposed on Crooked Lake leaseholders for the years 2015 to 2019. Being that this increase was imposed without jointly agreed to negotiations between the Government of Canada and/or its appointed authority and the leaseholders and representatives and with the threat of lease cancellation being imposed, they call upon Minister of Crown-Indigenous Relations and the Government of Canada to negotiate a fair lease agreement with the cottage owners who lease land from the Government of Canada.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I ask that all questions be allowed to stand.

The Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

MULTILATERAL INSTRUMENT IN RESPECT OF TAX CONVENTIONS ACT

The House resumed consideration of the motion that Bill C-82, An Act to implement a multilateral convention to implement tax treaty related measures to prevent base erosion and profit shifting, be read the second time and referred to a committee.

Mr. Matthew Dubé (Beloeil—Chambly, NDP): Mr. Speaker, I thank my almost neighbour from Longueuil—Saint-Hubert for his warm welcome.

Today, we are debating Bill C-82, which does not exactly have the most exciting title in the world but does address an extremely important issue. I am referring to the Act to implement a multilateral convention to implement tax treaty related measures to prevent base erosion and profit shifting. There may be complicated bills that come before the House, but it is rare to have one with a title that takes up a significant amount of the time we have to debate it.

All joking aside, tax avoidance and tax evasion are key issues. The urgency of dealing with these issues is becoming increasingly evident, not just to us as legislators, but also to Canadians. This may seem like a subject that is not necessarily of interest to the average person. When we go door to door in our ridings, when we have an opportunity to speak with constituents at various events held in our ridings, the income tax act and the tax agreements signed with other countries may seem like issues that are not top of mind. Our constituents are focused on daily life, sending their children to school, looking after their health and managing their own budgets.

The thing that stands out to people is the fundamental inequity of this situation. People pay their taxes and the Canada Revenue Agency chooses to relentlessly go after single mothers who may have simply misunderstood a form or whose situation may have changed—maybe they separated from their child's father for example. I personally know individuals who have gone through shameful situations. I am not sure if my colleagues have had the chance to read the letters that the CRA sends those people. Even as members of the Standing Committee on Finance, I wonder if we would be able to understand the pages and pages of text and wording that is so complicated it has no meaning. We should not have to hire an accountant or, in some cases, a lawyer, because of the actions of an agency that is supposed to be a sound manager of taxpayers' money.

This situation is bad enough, but it is even worse when we consider that CEOs, the wealthiest individuals and unfortunately quite often friends of those in power, benefit from all these exemptions, all these poorly drafted laws, all these agreements that do not go far enough. Unlike the single mother, to continue with that example, they are able to take vacations in Barbados. Then they leave their money there while they are at it. It is unacceptable.

As a society, we cannot accept that. Our collective wealth, the social contract in which we are engaged as citizens of a society by paying taxes, and the work we call on the government to do on our behalf with our money, is one of the most fundamental aspects of our society. When we consider that some people do not want to fulfill this contract, do not want to meet this commitment, then we realize that we have failed somehow. Somewhere the government has failed in one of its basic duties.

These policies, these failures, are opening up a deep, dark gap of inequality between the rich and the not-so-rich. It is odd, because the Prime Minister loves talking about the middle class and those working hard to join it. In reality, when I am in my riding, I do not see a middle class and people working hard to join it. What I see is that certain citizens are honest and hard-working, and others do not need to lift a finger because they know full well that they will always enjoy the favour of the people in power. That is what is deplorable.

● (1210)

In my riding, there are some people who are relatively well off. They are the kind of people the Prime Minister loves to go after and brand as cheats. They are business owners running small and medium-sized companies, and to some people, they may appear to belong to a more privileged class. They have earned a good living and worked very hard on their businesses, but they are not the ones who should be targeted.

There are also people in my riding who struggle to put food on the table and can barely scrape together their rent or mortgage payments. In terms of means and lifestyle, these people could not be further apart. However, they have one thing in common, and it is what motivates me as an MP. They are all honest, and they all believe this:

● (1215)

[*English*]

"A rising tide raises all ships."

[*Translation*]

The idea is that we live in a society where the wealth we share should benefit us all. They agree on that. The issue is the wealthiest 1%, which sometimes means literally 1% of the population but sometimes means Liberal Party donors who are friends with the Minister of Finance. They are the ones benefiting from a system that is totally broken.

Let us dig into the substance of the bill. Kudos to the member for Sherbrooke, who has been doing excellent work as our national revenue critic. He is doing amazing work on this extremely complex issue. Some people find this hard to believe, but he is Canada's youngest ever federal MP. His hard work got him re-elected, and he is so up on his issues that he can handle this extremely complicated file.

I also want to give a shout-out to the member for New Westminster—Burnaby, who is doing great work as the NDP's finance critic. That is our job, after all.

We moved a motion in the House in this regard and so did our colleague from Joliette. We are calling on the government to do more and to solve the various problems and failures related the system that I just talked about a few moments ago in my speech.

The bill before us seeks to implement multilateral instruments and to address the fact that some of our agreements with other countries are expiring. These instruments are an important step that will enable to make changes to our multilateral and bilateral agreements more easily.

People need to understand that agreements, accords and conventions that Canada has signed with other countries often exacerbate the problem. We are being told that all of these agreements are being signed to prevent double taxation. For example, a business or individual would have to pay taxes in Canada or another country. However, the legislation and other aspects of the legal framework need to be updated because they facilitate tax evasion and tax avoidance, even though ideally they should not.

We will support the bill because we think it contains good measures that are a step in the right direction. However, let us be clear. Our support for this bill at second reading is not a blank cheque. We are far from supporting the Liberal government's approach, which has failed to date. The fact that we are supporting this bill also does not excuse the fact that the government has not taken action on any of the other issues related to tax evasion and tax avoidance that are of concern to us.

Let us look at subsection 95(1) of the Income Tax Act and section 5907 of the Income Tax Regulations. Dividends from a foreign subsidiary are exempt from taxes in Canada. That means that there are companies that are making a lot of money and they are even doing business with Quebec and Canadian consumers. They are making their money here but inflating their profits because they are exempt from paying taxes in Canada.

Closing loopholes is just a matter of common sense. We are not talking here about companies that do 95% of their business in other countries and 5% in Canada. We are talking about companies that do the opposite. We are basically talking about companies that conduct most of their business in Canada or the United States but that have opened a bank account in another country where they do almost no business at all. That is a major shortcoming, and the government has still not updated the legislation, even though it would have been quite easy to do. The bill that we are debating contains elements related to tax evasion and tax avoidance, but it does nothing to address the relevant aspects of the law.

It is funny, because earlier today, I heard a Liberal member say this has been one of the government's priorities since its first day in office. The Liberals have been in power for three years now, and nothing has been done despite pressure from civil society, prominent members of society, and even some former Liberal Party candidates. So many Quebeckers have called for action on this. We and our colleagues from other parties have been proud to speak on their behalf. Échec aux paradis fiscaux and the non-partisan Réseau pour la justice fiscale Québec are just two great examples of groups that are standing up and speaking out.

Just as an aside, not to be mean, but that is what happens when the 41 Liberal members from Quebec remain silent. When so many groups and individuals in Quebec are speaking up, those MPs come off as being not only silent, but also deaf because they are not getting their constituents' message.

I find it deeply troubling that no party that has ever been in power is blameless in this matter. I have only to come back to the example I mentioned earlier in my question to a Conservative MP. In the last Parliament, during debate on the bill on the free trade agreement with Panama, which was negotiated and signed by the Conservatives, I raised an extremely important point demonstrating that the issue of tax evasion and tax avoidance is nothing new. For years we have been talking about it, and for years the federal government has failed to take the necessary steps that Canadians expect.

To come back to the agreement with Panama, that country is known to be complicit in tax evasion and tax avoidance. The United States can hardly be called progressive, especially in light of recent events, but even they realized that when making free trade deals and opening up their markets to countries like Panama, it was vital to include a formal requirement demanding the return of any government or taxpayer money that had been stashed away by individuals who refuse to meet their obligations to our society. Through that agreement and other measures, the United States managed to recover some of the money, although there is still a lot of work to be done.

However, what has Canada done about this? We only raised the issue without even discussing the problems associated with environmental protection or labour conditions in Panama. We ignored these crucial issues. Even if we focus on just this one element, the government did nothing when we raised the issue.

This is very worrisome because the government keeps telling us that its negotiations will be based on progressive values and that it will discuss reconciliation with indigenous peoples, gender equality and environmental protection. Naturally, I agree with that. After all, the NDP are proud to raise these issues every day in the House of Commons.

● (1220)

However, when we have a progressive agenda, we must also promote fairness. We must take action to eliminate the gap between the friends of those in power, the people who can afford to vacation in Barbados and take their wallets with them, and the honest people working hard in our communities, the rich and the not so rich, business people, single mothers and everyone else who is harassed by the Canada Revenue Agency. That has to stop. I am repeating myself, but I have to.

I can only hope that when the government negotiates these agreements, it will recognize that we must continue on this path and demand better conduct from certain rogue international stakeholders. I may be suffering from misplaced optimism because this government has a bad track record on this.

When the Liberals came to power, they boasted that Canada is back, but what is Canada doing? It is allowing Netflix, Facebook, Google, and American multinational corporations to get away with not paying their fair share of taxes. Then it allows Liberal Party billionaire donors and friends of the Minister of Finance to do the same thing and shirk their obligations to our country. Then it allows environmental delinquents to evade their obligations. We do not even respect our own obligations. In addition, Canada keeps exporting arms to countries like Saudi Arabia. On that, we might say that the Liberals are trying to redeem themselves, according to media reports.

All of this is relevant to the debate on Bill C-82 because the bill talks about a multilateral instrument. If Canada really is back, then it should be showing some leadership in helping countries that want to combat tax evasion, tax avoidance and all the other problems I just listed. Instead, Canada is sheltering delinquent players and prolonging a situation that has existed for far too long.

I would like to explain why all of this is so important in a way that the people at home can understand. I do not mean to be condescending—far from it. When I myself get letters from the Canada Revenue Agency, my first reaction is often to wonder what it is all about. When people get these letters, they sometimes ask their friends if they are going to jail, because they cannot understand them. That is how single mothers, sick people and people with disabilities are treated when they try to claim benefits they are entitled to.

The member for Sarnia—Lambton said that this is criminal. She herself rose in the House of Commons to talk about diabetic people being targeted by the Canada Revenue Agency, which is totally unacceptable. However, the Minister of National Revenue keeps bringing up this $1-billion figure. She keeps talking about money, but unless the law and agreements are changed, we are just throwing money out the window. That is a very apt phrase in this case, because, after all, that is what the rich in our society are doing, and it is all the more laughable because this money is landing well outside the federal government's coffers. That is unacceptable.

I would now like to say a few words to all of my constituents. It is all well and good to debate the fiscal code of conduct and the Income Tax Act, but it is important to recognize that the government has consistently failed when it comes to closing the gap between the rich and the poor. To accomplish that, the government must start with simple, practical measures.

By supporting Bill C-82 at second reading today, I am once again imploring the government to take action to put an end to tax evasion and tax avoidance, which it could have done by supporting the NDP's motion. The government needs to put an end to this injustice, which weighs heavily on the minds of honest Canadians who are trying to live their lives and benefit from a community and from an important social contract under which everyone must contribute their fair share.

● (1225)

[*English*]

Ms. Marilyn Gladu (Sarnia—Lambton, CPC): Mr. Speaker, we listen often to the Liberal government talking about how it is looking for all of these tax evaders and the $25 billion of tax it claims it is going to find. However, the Liberals have been very silent about the Panama papers and I have not heard any progress on that $25 billion.

Has the member heard anything about the Liberals' actual progress on closing these loopholes and getting the tax money back?

● (1230)

[*Translation*]

Mr. Matthew Dubé: Mr. Speaker, I thank my colleague for her question.

When I hear the Liberals talking about tax evasion and tax avoidance, it is never because they have made progress. Rather, it is because someone who is close to their party was named in the documents in question, which were leaked. Fortunately, those leaks do occur. Fortunately, watchdogs have brought this to our attention. This is a shameful situation that needs to be remedied.

I want to say this. I think it is unacceptable, and even sexist in some cases, that women who are divorced or separated are targeted by the Canada Revenue Agency more often than the friends of the Liberals who are named in the Panama papers and other similar documents.

Perhaps I am an eternal optimist or possibly just naive, but I hope that the next time I see the words "Liberal Party" or the name of the Prime Minister in a news article about tax evasion and tax avoidance, it is because they have finally proposed concrete measures to put an end to this problem.

[*English*]

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I listened to my colleague across the way. He commented about many of my Quebec colleagues, the 41 members of Parliament in the Liberal benches from Quebec. What I would like to emphasize to my friend across the way is that when he implies that they are not effective, when it comes down to fighting tax evasion and fair taxation of policies, the Quebec members of Parliament on this side of the House not only have been strong advocates for it, but they have also voted in favour of initiatives.

I would go to the 1%, for example, where we apply the tax on Canada's 1% wealthiest. Those Quebec MPs voted in favour of it. The Quebec MPs on the other side, and particularly in his party, voted against it. We also voted in favour of hundreds of millions of dollars in our budgets to go after tax evaders. The NDP voted against that.

My question to the member is this. Here we have yet another progressive piece of legislation. The Liberal members of this House, particularly the ones from Quebec, will be voting in favour of this legislation. Will the member be voting in favour of this legislation? If so, can he tell the House why it is he voted against those measures in two previous budgets to fight tax evaders, where hundreds of millions of dollars were allocated?

[*Translation*]

Mr. Matthew Dubé: Mr. Speaker, perhaps my colleague did not listen as closely as he claims because I stated very clearly in my speech that we are going to vote in favour of this bill at second reading.

With respect to the Liberal Party members from Quebec, I would like to point out that if the government were really listening to Quebeckers, it would not have used taxpayer money, which belongs in part to Quebeckers, to buy a 60-year-old pipeline for $4.5 billion. We would have wanted our voices heard. We would not be supporting an NDP motion or a motion by the member for Joliette to put an end to this situation because we never bothered to do anything about it.

I gave some very concrete examples of parts of the act that need to change, but none of that was done.

I have something to add before wrapping up. Saying that one guy voted against this and another voted against that is as misleading as it gets.

Personally, I will always be very proud to vote against budgets that do not do enough, that go no farther than consultations, or that set up programs the government will not be spending much money on until after the next election. We can go back and forth about nitpicky details, but what really interests me is the government's budget policy. When we believe it is destined to fail, we speak out against it.

[*English*]

Mr. Gord Johns (Courtenay—Alberni, NDP): Mr. Speaker, first, I want to thank my colleague for Beloeil—Chambly for always fighting for tax fairness for working Canadians.

As a former business owner and executive director of a chamber of commerce, and as the critic for the NDP on small business and tourism, I have had a chance to work with entrepreneurs, as well as be one. Entrepreneurs are often struggling just to make ends meet, just to make payroll or pay their suppliers or leases. They are under a tremendous amount of pressure.

When they are late paying their taxes, CRA does not take any time at all and is on top of the small business person. There is a collector assigned to them. CRA is aggressive in getting the taxes back. Despite the Prime Minister calling small business people tax cheats, I would say that most small business people are honest, hard-working people. They are the job creators and people who donate to our community organizations and build our communities. However, at the same time, as we saw with the KPMG scandal, if one has a good lawyer and a lot of money, the CRA will back off and make a deal, unlike its treatment of small business people.

I would like to ask my colleague about making sure that when we go ahead and make tax changes to fix these loopholes and gaps in these tax agreements, that CRA gets direction and prioritizes going after the heavy-hitters, the 1% who are trying to avoid paying taxes. Maybe it could shift those resources away from chasing the small person who is grinding it out day in, day out.

I would like to hear from my colleague if he thinks that CRA should be giving priority to those who are not paying their fair share off the backs of everyday working Canadians, shifting their money out of the country to avoid paying their fair share of taxes.

● (1235)

[*Translation*]

Mr. Matthew Dubé: Mr. Speaker, I thank my colleague for the question and for the excellent work he does as the small business critic and as a former business owner.

I think that is an important distinction to make. The Prime Minister did indeed take aim at small and medium-sized businesses both through his comments during the election campaign and in some of the policies that have been brought in. As I said, when I go back to my riding, I talk to people who are having a very hard time paying their rent or paying for groceries. I also talk to chambers of commerce, business owners, and small and medium-sized enterprises who, compared to some who are struggling, seem to be better off because they have enjoyed some success. As my colleague knows, it is not always as black and white as all that.

The Canada Revenue Agency makes it their priority to go after people like that. If this were being handled fairly we would not be talking about it. That is the problem. The problem is that these policies have totally missed the mark.

As I said in response to another colleague, every time we hear the government talk about this issue in the media, more often than not it is talking about its association with bad players instead of what it is doing to tackle the issue. There are such simple things the government could do, things that it has had plenty of time to do since coming to power. I find it all so terribly disappointing.

I will come back to the last point my colleague raised. It is clear that the directives given to the CRA need to be reviewed, not just to avoid targeting businesses, but, as my colleague said earlier, to stop primarily targeting the sick or single mothers. The minister has the power to do that. This should be a priority.

Mr. Gabriel Ste-Marie (Joliette, BQ): Mr. Speaker, I would like to first commend my colleague from Beloeil—Chambly on his speech, which clearly supported progressive values. We definitely felt that.

In his speech, he reminded us that the Minister of National Revenue told the House that the government had spent $1 billion to recoup $25 billion lost to tax evasion and tax avoidance. However, according to the report signed by the minister, the government recovered hundreds of times less money than that.

Does my colleague believe that Bill C-82 will enable the minister to recoup the $25 billion she mentioned so many times in the House?

Mr. Matthew Dubé: Mr. Speaker, I thank my colleague for his question and for all the work that he has done on this file.

The minister keeps repeating that, but the problem is that she did not actually recoup that money. She simply discovered it existed. The government needs to do a lot more. Obviously, Bill C-82 is a step in the right direction, but it just one step.

To come back to my colleague's question, I do not think that this bill is enough. The government needs to do more. By supporting this bill today, we are also making a plea to the government to make significant amendments to the act, and in doing so, finally implement our motion, which it supported a few short months ago, and actually collect that money.

● (1240)

[*English*]

Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC): Mr. Speaker, it is always an honour to stand on behalf of the citizens of Central Okanagan—Similkameen—Nicola. I will be sharing my time with the very capable member for Calgary Rocky Ridge, who in addition to his duties as member of Parliament, also stands as the shadow minister for national revenue. Even though this is a finance bill, ultimately it is the CRA and the Minister of National Revenue that will become accountable for this. I know he will have many things to say on that end of it.

The two are very important, because, for example, in 2013-14 and particularly in the 2014 budget, the former minister of finance, the hon. Jim Flaherty, had opened consultations on the subject of base erosion and profit sharing. He did this specifically so he could go to the G20 and be able to make proposals and participate fully in those discussions on base erosion and profit sharing, which we are the beneficiaries of today.

I must give the government a little credit for taking its ideological blinders off. It does not seem to say that this is a Harper initiative. It has not blamed the former prime minister yet. I certainly hope that as we go through my speech today it will recognize sometimes there is much need for a new government to carry on the very good work of a previous government. We should not always judge something simply because of who had started an initiative.

During my time as the parliamentary secretary to the president of the Treasury Board in the previous Parliament, we worked on some pretty technical legislation from time to time. I will admit to having a certain affection for regulatory related bills that could provide benefits to Canadians and Canadian industry, particularly if they are done in such a way that is harmonized to reduce red tape. We recognize that Canada is increasingly becoming a competitor on the world stage, and we are likely to see more international trade, not less.

We must also recognize that with that come challenges. As one example, we have a situation where over this past summer the Liberal government was forced to modify its national carbon policy. Basically, it provided more carbon tax relief to some of Canada's biggest polluters. This is not unlike what happened in my home province of British Columbia, where greenhouse growers and cement manufacturers, to name a few, have been given so much in subsidies, exemptions or other kinds of carbon tax relief there is actually a word for it. It is called "carbon leakage". It is defined in the 2018 B.C. NDP provincial budget as "...industries that compete with industry in countries that may have low or no carbon price. If BC loses market share to more polluting competitors, known as carbon leakage, it affects our economy and does not reduce global greenhouse gas emissions." This is the same reason this Liberal government provided increased carbon tax relief to big polluters, because, ultimately, they compete with industry in the United States and elsewhere that do not have a nationally imposed carbon tax.

We are not here to debate the carbon tax. I am using it as an example because it illustrates the importance of being competitive. As we all know, being competitive in the corporate world often comes down to the bottom line, and we know how much the bottom line bears on our businesses, at least on this side of the House, as the Conservative Party has a very strong understanding. This creates a situation where, ultimately through creative, and some would argue dubious accounting practices, some companies can find creative ways to transfer wealth created in one country into another country with a much lower tax regime. Some countries even make a point of creating a regulatory and financial environment that actively encourages this sort of behaviour.

How do we fix that? Obviously, one approach would be an attempt to lower taxes to a level on par with some of these countries to stop the outflow of revenue. Many refer to this as the "race to the bottom" approach.

There is possibly another solution, which brings us to Bill C-82, which we are debating here today. What if we could get as many countries as possible to sign on to a common regulatory fiscal taxation approach that would better protect countries from this problem? Having similar fiscal language with respect to taxation would help reduce the regulatory red tape burden more than if we went at it piecemeal.

● (1245)

Not to mention there are greater efficiencies in adopting the kind of universal standard with OECD countries which sign on as opposed to having the same individual countries try to collect and negotiate separate tax treaty agreements among themselves.

To be fair, this multilateral instrument allows for Canada to quickly and efficiently update its agreements so that both the CRA and the tax authority in the adjoining country will immediately start to proceed, as the multilateral instrument has said, through the existing tax treaty. It is a very efficient way.

This is called, obviously, the multilateral convention to implement tax treaty related measures to prevent base erosion and profit shifting. Because that is a mouthful, we will simply refer to it as the MLI agreement. This work was started with the former Conservative government and I am pleased that the current government is continuing to work on this to the point we are here today debating the ratification agreement. Again, the agreement covers 75 jurisdictions worldwide and it is expected in the near future it will be over 100. That is a good thing.

While there are many benefits to the agreement, I should say it is not without some criticism. Some have suggested adopting the OECD MLI would result in the loss of tax autonomy for the country in question; however, I would point out there are provisions in the MLI agreement that allow countries to opt out of certain parts of the MLI at their discretion. This, by extension, can allow countries to still enable a specific tax structure but ultimately might provide unique tax benefits in certain areas. While some may consider that to be a bad thing, I also believe having a framework that allows some competitive incentive that keeps overall taxation levels in check is an important tool for countries to have.

Ultimately, this agreement is more targeted toward those who transfer money between countries for the sole purpose of avoiding taxation. Some people might say that some of this might be borderline tax evasion and in certain cases there may be, but let us be clear that Canada already has existing laws on tax evasion. That is not legal and the CRA should pursue those people who push the envelope much too far and know they are past the envelope.

I believe this agreement is more targeted toward specially transferred money between countries for the sole purpose of evading. In balance, I believe that is positive. Some have said that these types of agreements have not been successfully implemented in Canada before, but I would disagree with that. In the previous Parliament, we passed Bill S-12, An Act to amend the Statutory Instruments Act and to make consequential amendments to the Statutory Instruments Regulations. That bill proposed the ability to import standardized regulations from other jurisdictions so we have parity here in Canada. That makes it much more convenient for Canadian manufacturers as it can be extremely costly in addition to meeting a plethora of different standards in other jurisdictions.

Getting back to the MLI, time will tell the overall effect of this. The challenge right now is that some of these tax avoidance schemes are entirely legal, so this agreement creates a taxation environment that would provide common tax measures that will help to eliminate abusive taxation policy.

Before I close, I would like to take a moment and relay one concern I do have. As we know, the United States is not a signatory partner to this agreement. Given the close relationship in industry between our two countries, with many companies having U.S.A. and Canadian ties, there could be long-term impacts down the road. Obviously we also see concern over NAFTA where we will need to be vigilant in monitoring our competitiveness with our neighbours to the south.

Overall, I believe the bill is an important one and moves Canada in the right direction in parity with the majority of our G20 partners. I will be voting for the bill and believe that added scrutiny at committee stage, particularly on some of these thorny points, will be beneficial. I appreciate the House hearing my thoughts on the bill today.

Ms. Jennifer O'Connell (Parliamentary Secretary to the Minister of Finance (Youth Economic Opportunity), Lib.): Mr. Speaker, I thank my hon. colleague for his support of this legislation.

Would the member opposite agree that this legislation is a piece of the puzzle to the larger issue of tax evasion and tax avoidance, and that it actually works in conjunction with other policies, treaties or legislation that the government will bring forward? The government is not only doing the minimum standards, but is opting into enhancement of the MLI. Would the member agree that this is good for Canadians on the issue of tax fairness?

● (1250)

Mr. Dan Albas: Mr. Speaker, I would say more generally that this is a multilateral instrument and that this is actually good for developed countries, particularly the OECD countries, which do have a problem of, basically, jurisdiction shopping for the best tax-related policies. Again, there is some shifting of profits to areas that we do not have tax agreements with. Again, this is part of the developed world's attempt to modernize language in an efficient way and to also counter where some companies will simply shift profits outside the developed world and take them to places that have very low or no tax areas. Particularly if those monies were made in the developed world and consumed in the developed world, there should be taxes paid on them.

However, there are only a few multinational companies that probably have the sophistication to be able to do this kind of forum shopping. Whether that happens completely in Canada, I would argue probably, considering we hear so many concerns in the United States that multinationals are seeing their monies shifted outside the United States.

I also would simply suggest for the member that if we look at the tax reform proposals put forward by the American administration, that is lighting the U.S. economy on fire. It is not BEPS that is bringing the money home; it is the fact that they are competing and they have changed their laws to reflect the fact that they must remain competitive. That is the most important thing, and I hope the member and the government keep that in mind.

Ms. Linda Duncan (Edmonton Strathcona, NDP): Mr. Speaker, it is always a pleasure to work with my colleague. I have previously worked with him on committees.

It is important that, as a member of the OECD , we take seriously the work that is done in that forum. For example, the OECD recently did a report on all the countries living up to their commitment to deliver 0.7% of their GNI on international assistance, and chastised Canada for delivering just a third of that. Also, there have been calls for Canada to make sure that our standards for controlling toxins are on par with other OECD nations.

Clearly, the work of the OECD is important, but I wonder if the member could speak to this issue. A number of concerns have been raised that, yes, it is good that we will be modernizing the mechanism whereby we enter into these agreements, but will it not also be important to be revisiting some of the tax treaties we have with some nations, which simply could end up with corporations in Canada not paying their fair share of taxes in Canada?

Mr. Dan Albas: Mr. Speaker, I would say that if the member has information about companies that are doing that, she should deliver that to the CRA personally. It is simply just saying that tax evasion happens. Yes, it does probably in many cases happen, but without specifics, it is very difficult for the CRA to track down. Therefore, if the member has information, that would be important to have.

I would just point out that it is easier for Canada as a country to renegotiate certain agreements with countries where there are concerns, but to do that, we need to have a partner that is willing and we also need to have the capacity and resources available to do that. By supporting this BEPS multilateral instrument, we will actually free up a lot of resources because we are dealing with like-minded economies, like-minded areas where we can quickly and efficiently modernize those agreements. That is a big part of this. This is just a faster way for us to keep our agreements up to do date to be able to keep up with the newest base erosion and profit shifting activities.

Mr. Colin Carrie (Oshawa, CPC): Mr. Speaker, I want to read the Minister of National Revenue's mandate letter, dated November 12, 2015. It says that the Prime Minister wants the minister to invest "additional resources to help the CRA crack down on tax evaders and work with international partners to adopt strategies to combat tax avoidance." That was three years ago, and we are seeing this bill coming forward but the member knows that under our previous government, Mr. Flaherty really got this initiative going. Does the member think the Liberals are actually serious about doing anything?

● (1255)

Mr. Dan Albas: Mr. Speaker, I am sure if the member of Parliament for Oshawa could say what he really wants, he would probably want to direct that question to the member for Calgary Rocky Ridge because he is that capable of a member.

I would simply say results, results, results. Let us bear in mind that this particular multilateral instrument is about the use of highly sophisticated techniques to shift income so that, ultimately, states such as Canada will not receive full taxation, which is all done by Canadian law. It may be where it pushes the envelope, but that is because we have allowed these things when our regulatory environment and tax agreements are just not up to date. This would allow that to be sped up.

Making sure there are proper resources is important. I would also say that it is far easier for the CRA to go after existing businesses, and that is why I hear from so many small business owners who are continually audited for really little things. That needs to end. The focus needs to be on the big money.

Mr. Pat Kelly (Calgary Rocky Ridge, CPC): Mr. Speaker, I am pleased to rise today to speak to this legislation. It is my pleasure to follow my colleague from Central Okanagan—Similkameen—Nicola and his excellent discussion on a topic that he is interested in and knows a great deal about.

Bill C-82 is a welcome step forward. It is the natural conclusion to work that was first undertaken by the previous government in 2013. This is a good, positive step forward by two governments now to help address the serious problem of base erosion and profit shifting.

This legislation seeks to address a global problem that Canada is a part of, namely tax evasion, whereby corporations, through a corporate domicile or clever accounting, can shift profits between different jurisdictions or shop for the most desirable tax treatment from any of a variety of different jurisdictions.

For years we have heard in the news criticism of many global giants, including Starbucks, Apple and a number of other familiar global brands, that will seek to minimize their taxes by shopping for the most favourable jurisdiction. This is a problem that confronts western governments.

If the bill passes, Canada would be able to participate in a protocol that the OECD has in place.

We heard a bit about the scale and scope of this problem at the finance committee, and we welcome the bill.

The bill is an effective and efficient means by which we could deal with a wide variety of different tax jurisdictions through the same instrument. We would not have to separately renegotiate dozens of different existing tax treaties. As a result, we could co-operate much more efficiently with our global trading partners and combat what has been described by some as a "race to the bottom".

Perhaps close to $25 billion in taxes is not being collected from economic activity that takes place in Canada. During its first two years in office, the Liberal government claimed it was going to recoup this $25 billion. The Prime Minister in late 2017 said in the House that the government looked forward to collecting this money.

While I do support the bill and acknowledge that it is an important step forward, it is certainly not a panacea or a solution to deal with all of the problems. I do hope colleagues from all parties will support it.

With respect to this $25 billion, the government has yet to really tackle the issue at all and it is now three years into its mandate. That number has been debunked. It would seem that most of the money the government planned to collect, money from tax evasion and tax avoidance, through the steps it would take, would be on the domestic side, the majority of which is believed, even by the department, to be uncollectible.

The CRA, almost three years into the government's mandate, has failed to make significant progress on foreign tax evasion, but during that time period it has floated a number of, in some cases, strange ideas on how it would plug its gaps in revenue. These ideas do not involve foreign tax evasion and do not involve corporate profit shifting.

● (1300)

They involve ideas that arose when the CRA first floated the idea of taxing employer benefits, like health and dental benefits; taxing retail discounts to service industry employees; and the war that was being waged this time last year on disabled Canadians, including the rejection of the disability tax credit for type 1 diabetics and a number of people who suffer from other health ailments.

In my riding, I have spoken to people who suffer from different types of chronic fatigue, who had been receiving the disability tax credit for years and suddenly were denied it. In one case, someone had been receiving it for 10 years and was suddenly denied it while her medical evidence had not changed. We have also heard the parents of autistic children losing their disability tax credit at the hands of the CRA under the Liberal government.

None of these seemingly small and petty attempts to raise additional revenues address the issue at hand and fulfill the promise of the government to crack down on foreign tax evasion and tax avoidance. These are nickel-and-dime measures targeting low-hanging fruit. The CBC reported again last night how the Liberal government makes it very difficult for single parents, with its onerous requirements on their proving they are indeed separated. We have seen quite a number of cases of this, and it has been raised in the House.

The other side of this and what this bill does not address is a different type of base erosion. Base erosion from profit shifting is an important global phenomenon that must be addressed. However, perhaps a bigger threat to the Canadian economy and a bigger drain on the tax revenue of the government than base erosion from profit shifting is base erosion from capital flight taking place right now.

Since the Liberal government took office, we have seen the imposition of a carbon tax. My colleague from Central Okanagan—Similkameen—Nicola spoke about carbon leakage, how chasing economic activity with emissions into a different jurisdiction does not change global emissions, but does change the tax revenue base of the Canada Revenue Agency and costs jobs. We have seen the carbon tax and have seen Bill C-69, which should be titled, "an act to ensure no pipeline is ever built in Canada again". We have also seen tax increases, which the government had indeed promised to impose on the wealthiest Canadians, actually result in a reduction in tax revenues from the wealthiest Canadians. That is a different type of base erosion that would not be addressed by this bill.

We have seen the debacle over the Trans Mountain expansion. That will also result in an erosion of the tax base, as that economic activity is curtailed. We also all know what is happening with the NAFTA negotiations, and we know how many hundreds of thousands, perhaps millions, of Canadians who fear for their jobs as this unfolds.

To conclude, this bill is an excellent step forward to address a serious global problem that Canada must play a part in solving for our own tax base and in participation with our economic partners. I look forward to its coming to committee, where it may be improved and where I could address some of the issues that have been raised by my colleagues.

I will be supporting this bill, and I commend the government for moving ahead with this initiative.

● (1305)

Mr. John Oliver (Parliamentary Secretary to the Minister of Health, Lib.): Mr. Speaker, I know that residents of Oakville, particularly taxpayers there, want to make sure they have the same opportunities to succeed and benefit in a growing economy. That also means making sure that the tax system is fair to everyone, so I am delighted to see that we are taking steps in the fight against aggressive international tax avoidance and countering strategies that allow business and wealthy individuals to avoid paying their fair share.

It seems to me that this legislation would allow for a much quicker and more efficient updating of multilateral conventions and bilateral tax treaties. Could my colleague say a few words about his impression of that in this bill?

Mr. Pat Kelly: Mr. Speaker, I hope I was clear in my remarks. That is exactly what the bill may accomplish in creating a more efficient and effective way to deal with the multitude of tax treaties that we have.

However, I will return to the broader point that an erosion of the tax base is happening as capital is fleeing Canada under the anti-business, anti-energy policies of the current government. That has to be addressed, but it cannot be dealt with solely by closing loopholes that allow sophisticated multinational businesses to avoid taxes.

Mr. Wayne Stetski (Kootenay—Columbia, NDP): Mr. Speaker, the NDP will be supporting the bill. Of course, we want to make sure that we recover as much tax money as we possibly can. However, the bill does not go far enough. We really do think that tax havens need to be a part of this whole discussion and that a much better job needs to be done in closing loopholes.

Also, I do not know if other members have tried phoning CRA over the last couple of years, but I gave it a shot and got caught in its loop after about 10 minutes. At the end of it, a voice told me that there was really nothing they could do for me and to call again some other time. I had received a notice that I owed CRA some money, which was incorrect. In fact, it owed me money. We contacted the department, which said that I would continue to get threatening notices about owing money even though they knew I did not, and that it would be least six months before I would get my cheque.

The CRA is in a mess, and from the perspective of my constituents in Kootenay—Columbia, there is a lot of work that needs to be done in that regard. I have to say that I know the cuts started with the previous Conservative government, but would my colleague not agree that the government should be doing something about tax havens and the general state of the Canada Revenue Agency and its lack of responsiveness to Canadians?

Mr. Pat Kelly: Mr. Speaker, I will deal with the first part of the member's question quickly by saying, yes, we support the bill and that it is important that the loopholes be closed.

To the second part of the question, the personal experience the member relayed is so familiar to people I have spoken to across Canada. Everything he addressed, from the inability to reach someone on the phone to being given incorrect and conflicting information when getting through to a person, to being told that it would take months to get a cheque even when there is no information in dispute, is so painfully typical of the experiences I have heard from taxpayers across Canada. I have heard tax preparers from across Canada say that the service and the level of competence have never been worse. Quite specifically, I have been told by tax professionals that even in the last couple of years, it has gotten worse. Therefore, it is certainly going to take more than the passage of the bill before us to address the comprehensive problems with tax collection in Canada.

● (1310)

Hon. Pierre Poilievre (Carleton, CPC): Mr. Speaker, today I rise to address the subject of tax fairness.

In the last federal election, the Prime Minister barnstormed across the country, promising billions of dollars of new spending. A chicken in every pot, he said. When Canadians inevitably asked how he would pay for it all, he said not to worry for a moment, that he would just raises taxes on the so-called wealthiest 1%, the rich guy living up on the hill.

Today, as we debate the subject of tax fairness, it is appropriate to ask if he has, in fact, kept his promise to fund his spending through those means. He certainly has kept the promise to spend vast new sums. Spending has grown, at around 7% per year, which is three times the combined rate of inflation and population growth. In other words, the government is spending three times faster than is the need among Canadians.

The result has been that the deficit this year is three times the size the Liberal Party promised in its most recent election platform and the budget will not be balanced next year, as the Prime Minister promised it would. According to Finance Canada, that will only happen in the year 2045, a quarter century from now, during which time Finance Canada admits the government will add a half a trillion dollars in additional debt. In other words, the budget will not balance itself.

What has become of the rich? The Prime Minister claimed he was going to raise taxes on those people. The results are in. CRA data released two weeks ago demonstrated that in the first year after the tax increase took effect, the government actually collected $4.6 billion less from the wealthiest 1%. Finance Canada released documents almost exactly a year ago today in its annual financial report, on September 19, 2017, in which it revealed almost exactly the same phenomenon. Revenues went down from the wealthiest 1%.

The government said that this was all due to one-time factors. People were playing games to avoid the higher taxes, said the government and that phenomenon would disappear in future years. The government is right. There were some wealthy individuals who moved money around to avoid paying their fair share.

One of them is the Minister of Finance. He announced a tax increase to take effect on January 1, 2016, and he sold his shares in his own company, Morneau Shepell, just 30 days before that in order to ensure his capital gain would be taxed at the lower earlier rate so he would not have to pay the same higher taxes he imposed on everyone else. Is that not nice? He knew the tax increases were coming, but being a multi-millionaire who had worked hard his entire life to avoid paying taxes, he was not going to pay a penny more on that capital gain. He was going to ensure he was taxed under a lower rate than everyone else.

He says, and his department has said, that many people did that. However, now that phenomenon is behind us, they say that in the future more revenue will come in. There is no question that in the 2017 tax year there will be probably be a one-time windfall of revenues from certain entrepreneurs and other Canadians as a result of reactions to government policies.

For example, the anecdotes by accounting firms and the reports in our business media are so common now that it is hard to be skeptical of their truth that people are moving money out of Canada. They are moving money out because the tax burden and the regulatory burden is so high that it is better for some people to do business outside of the country rather than keep their money here. Therefore, they will pay exit taxes. As that money goes out the door, it will be taxed one time.

The Prime Minister, who is only concerned about the here and now, who wants to spend more money today, might celebrate that one-time burst of cash as he shovels it out the door as quickly as possible.

● (1315)

What he forgets is that the problem with one-time cash is that a person only gets it one time and in the future it is gone. That money, once it leaves the country, will be taxed by other governments. When a wealthy CEO moves his fortune to London, England, the government today gets a one-time tax benefit for that as he pays an exit tax. However, in years subsequent, his tax burden in Canada is zero. He pays taxes to another government and funds services for another non-Canadian population. In 2017, I have no doubt that many people will pay one-time exit taxes as they took their money out of our country.

Furthermore, in the fall of 2017, the government announced small business tax changes that would have punished families for selling their businesses to their children. If a farmer sold his farm to his kids, he would pay a dividend tax rate of nearly 45% instead of a capital gains tax rate of 25%. If he sold that same farm to a foreign multinational, he could pay the lower tax rate.

In other words, there is a massive penalty for farmers selling their farms to their own kids, but a tax break for selling those same farms to a foreign multinational and having that multinational turn those children into tenants on their ancestral lands.

Because of the ferocious backlash led by the Conservatives and spontaneously ignited on the ground by Canadian taxpayers, the government has decided to put that change on hold until after the next election when it will surely be back. However, small businesses and farmers are not stupid. They know what bullet they dodged and are not going to risk having that change brought forward again.

What have many of them done? According to some of the most respected accounting firms in the country, many of them did their farm sales immediately upon learning that the government had put the change on ice. Therefore, those people will pay a one-time tax on that transaction in the 2017 year. After that year is gone, so too will future revenues, because those transactions will not repeat themselves every single year.

Finally, the government proposed to punish families that shared the work and earnings of a company. It calls that "sprinkling". I can understand why it calls that sprinkling. The Minister of Finance and the Prime Minister did have their wealth sprinkled upon them as if by an angel from above. Would it not be wonderful if we could all have trust funds and if we could all be trust fund babies like those two trust fund twins? They did have money sprinkled upon them from above, so it is not surprising that they would use the term "sprinkling" to describe small family businesses that own a local restaurant and therefore share the earnings of that restaurant with the kids who show up everyday and help run it.

The change proposed by the government took effect on January 1. Businesses knew that so they had to pay out higher levels of dividends to their children and their family members in 2017 before the tax change took effect. There is no question that the government will tax those dividends in the 2017 year. In other words, the government will get a burst of revenue from that phenomenon of forcing businesses to pay out to their family members before the punitive new rules take effect. There is no question the government will get more money in the 2017 year as a result of that.

Any day now, though, we can expect that the Minister of Finance and the Prime Minister will march triumphantly into this room, as if they were Caesar at a Roman triumph, saying,"Aha! Look at all the money we took from all these people". They will say that their high-tax plan actually worked in raising cash for them to spend. However, all of these phenomena I just described are one-time cash, in and out. Then it is no longer available to future governments to spend. For that reason the burden will inevitably fall upon the working and middle class that always suffer the most as the government gets big and expensive.

● (1320)

Why is that? Because higher earners and capital are far more mobile than lower earning people and workers. Labour has a harder time moving. Why? Because labour is carried out by a person and therefore he or she would have to move physically to another jurisdiction to have his or her labour tax at a lower rate. However, capital can flee or travel just like the air. Anyone can open their laptop computer and purchase equities, foreign stocks in companies around the world, literally in a matter of five minutes, moving their money out of the country just like that.

However, a working family who lives in Oshawa or Windsor on the assembly line floor cannot just get up and move because the government has hit it with a higher tax burden. That is why workers and labour cannot move around to avoid taxes the way capital and wealth can move around.

The end result is that when government gets big, capital flees and the burden gets more and more punitive on the working class Canadian. That is exactly what has happened. The average Canadian middle-class family is paying $800 higher income tax today than when the government took office. That is before the carbon tax and before payroll taxes that the government plans to institute the year after the next election. In other words, it is only going to get worse.

It is also before the increased cost of servicing our national debt, which is growing at a spectacular rate. In fact, last year, our government spent $23 billion on servicing the national debt. Within three years, the Parliamentary Budget Officer says that amount will rise to $40 billion, a two-thirds increase in just a few years, as debt rises and interest rates rise simultaneously to have a compounding effect of transferring more and more wealth, again, from the working class taxpayer to the wealthy bankers and bondholders who own our debt.

Here we are with these social justice warriors bringing in deficits and debts that have the effect of transferring wealth from low-income people who pay tax to wealthy bondholders and bankers who own the debt, in exchange for which we will get nothing. Interest on debt does not pave roads, does not build hospitals, does not hire nurses, does not pay soldiers, none of those things. It simply fattens the wallet of the wealthy people who have enough means to lend to the government.

If people ever wanted proof that these people are wealthy, the government cancelled the Canada savings bonds. It used to be that modest income people would buy Canada savings bonds and lend to the government. The government does not do that. It borrows all of its money from wealthy private equity fund managers, investment bankers and others of vast fortune.

Therefore, it always is that when the government gets big, the wealthy and well-connected and powerful are better off. It is ironic. Jeremy Corbyn, who calls himself a socialist, the socialist leader of the Labour Party in Great Britain, says that he wants to end greed is good capitalism. He is going to ban greed. The Prime Minister has made similar comments. The plan to end greed is to make the government so big that there is no room left for greed. It will be removed from human DNA. People will become altruistic and generous. No one will have more than anyone else, so they say. These socialists are actually going to transform human nature because they are so powerful they can do even that.

Can they really transform human nature? Apparently they did not read Macaulay, who wrote:

> Where'er ye shed the honey, the buzzing flies will crowd;
> Where'er ye fling the carrion, the raven's croak is loud;
> Where'er down Tiber garbage floats, the greedy pike ye see;
> And wheresoe'er such lord is found, such client still will be.

The point is that wherever there is money, there will be people trying to get it. If all the money is in the government, there will be greedy people trying to make money off the government. We see it all the time.

● (1325)

There are corporations coming to Ottawa saying they need a corporate handout, and they have had a very generous benefactor in the Liberal government, such as the $400 million for Bombardier, which went on to immediately give big bonuses to its executives. There is the infrastructure bank, for example, which will provide loan guarantees to powerful construction companies so that if ever their projects lose cash, the taxpayer and not the business owner will pay the price.

In Ontario, the Liberals brought in something called the Green Energy Act, which simply did not create any green energy, but it did put a lot of green in the pockets of the wealthy lobbyists who were able to get the so-called green energy contracts, double the cost of electricity and cause what the Ontario Association of Food Banks call "energy poverty". People literally walked in with their power bills and said that they could not afford to keep their lights on and eat and asked for food so that they could pay their power bill. So, yes, it was great for the wealthy one percenters who got tens of billions of dollars in subsidies for their phony electricity, but it was not so great for the working-class people who could barely afford to turn the lights on and live a normal life.

So, yes, wherever we fling the honey, the buzzing flies will crowd. My colleague did not say "bees". He said "flies", and flies do not make honey but will happily consume it. They are parasitical. Bees create honey through the process of pollination, which is the free exchange between a vegetative life and a creature, which is the essence of the free market economy, right? That is the free market economy, the voluntary exchange of capital for interest, product for payment, work for wages.

Every single transaction in a free market economy happens through voluntary exchange. Do members know why? It is because every single transaction must improve the lives of both people or they would not engage in it. It is why we have something called the "double thank you". We go to a coffee shop, buy a cup of coffee, pay for our coffee and say "thank you". What do they say back? It is not "your welcome", but "thank you". Why? It is because our payment is worth more to them than their coffee, and their coffee is worth to us than our payment. In other words, we both have something worth more to us than we had before. If I have an apple and want an orange, and someone else has an orange and wants an apple, we trade. We still have an apple and orange between us, but we are both richer because we each have something worth more to us than we had before. That is the genius of voluntary exchange.

Why does no one write "thank you" on their tax forms? It is supposed to be a voluntary exchange. It is supposed to be an exchange. We are paying for something. We are supposed to get something in return. The answer is, because we have no choice. It is not a voluntary exchange. It is mandatory. We are forced to engage in it, and that is the rule of the government economy. Every single transaction in the government economy is done by force. Every single transaction in the free market is done by voluntary will of every single participant.

We on this side of the House of Commons believe in a bottom-up free market where businesses obsess over customers rather than over politicians. It is where one gets ahead not by having the best lobbyist but by having the best product. That is the free market economy. It is a bottom-up economy and not a trickle-down, government-directed economy, like the government on the other side of the aisle believes.

Therefore, we will continue to champion the free market system, a system based on meritocracy, not heiritocracy, where we do not have to have a trust fund to have hope for a better future. We just have to have big dreams and hard work. That is our plan for tax fairness.

The Speaker: There will be 10 minutes for questions and comments following the member for Carleton's speech when the House next resumes debate on this topic.

It being 1:30 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

● (1330)

[*Translation*]

DEPARTMENT OF HEALTH ACT

Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.) moved that C-326, An Act to amend the Department of Health Act (drinking water guidelines), be read the third time and passed.

He said: Mr. Speaker, I am very pleased that Bill C-326 has moved past second reading and committee stage and is back in the House for third reading. Although the scope of the bill is narrower than what I had hoped as a result of the amendments proposed in committee, the fact remains that the bill is another important lever that will ensure greater transparency when establishing drinking water standards and that this process will look to the future, that is the study and control of emerging contaminants.

When developing and drafting the bill, I borrowed elements of the American system for drinking water. I use the term elements only because, in general, here in Canada we favour an approach to regulating drinking water that is a little different than that of the U.S. For example, we do not favour adopting uniform standards that are enforced by law across the country. Instead we use a regional approach, that is a provincial one, which in reality places greater importance on the efficient management of water purification plants than on attaining certain specific limits or thresholds for a large variety of water contaminants. In other words, our approach gives regulatory bodies greater flexibility.

Ironically, the stricter approach can make the work of plant operators more complex and can even be detrimental to the objective of ensuring quality drinking water. I sincerely believe in the Canadian model, which, according to the experts, is becoming more prevalent internationally for the regulation of drinking water.

That being said, the United States is actually being more proactive and transparent about studying and regulating drinking water contaminants, especially those known as emerging contaminants. The United States amended its Safe Drinking Water Act in 1986 and again in 1996 to give the U.S. EPA additional responsibilities regarding drinking water.

[*English*]

These amendments included the requirement that the U.S. EPA develop and manage a candidate contaminant list every five years. In other words, every five years, the EPA must select at least five contaminants from the candidate contaminant list and make decisions on whether to make regulations pertaining to them, in a process that is called regulatory determination. Moreover, the EPA is also now required to monitor at least 30 unregulated contaminants every five years. In the event that it decides that a new contaminant will be regulated, the EPA has two years following that decision to draft a regulation and an additional 18 months to finalize it. There is thus a well-structured, forward-looking and transparent process in place in the U.S. with respect to managing contaminants in drinking water in that country.

Publishing the candidate contaminant list is a key strength of the U.S. system. Making the list public enhances transparency regarding the future regulatory direction of the EPA. It provides important information that researchers can then use to make decisions, namely, regarding the contaminants for which they would want to collect primary data to inform the regulatory process. Moreover, this proactive approach spurs research and innovation, including in the area of water filtration processes.

In essence, Bill C-326, both in its original and current forms, aims to encourage that same kind of forward-looking and transparent approach. The amended version of Bill C-326 calls on the minister "to identify any foreign government or international agency that, in the Minister's opinion, has standards or guidelines respecting the quality of drinking water that should be compared" to Canada's. This determination, which until now has not been legally required, nor, to my knowledge, made public, if the minister has in fact considered such a comparison, will necessarily elicit questions from those with an interest in the quality of our drinking water, and questions, of course, are the very currency of accountability.

● (1335)

In other words, civil society, including NGOs and researchers, will be able to seek clarification and justification publicly through Order Paper questions, oral questions, correspondence to the minister or other means, of the minister's decisions with regard to the agencies and/or countries she has chosen as a basis of comparison to Canada in regard to drinking water guidelines. Civil society will in turn be able to offer its own opinion as to the validity, or conversely, the lack of validity of the minister's choices.

[*Translation*]

Furthermore, Bill C-326 requires the minister to identify which standards set by the chosen agencies or countries should be compared to the standards being developed in Canada. Again, civil society will get a chance to critique or support the minister's choice. This will help us look ahead and look at other countries or international agencies that may have more stringent standards than ours, as well as at specific standards outside Canada that may be higher or stricter than ours.

This bill highlights gaps, and as budget analysts and scientific analysts both know, gaps are what stimulate reflection, research and corrective action.

I also hope that this bill—if passed—and the debate it has stimulated so far will spur the government to focus more on emerging contaminants in its Canadian Environmental Protection Act annual report.

In the interest of increasing transparency, promoting research and innovation, and ultimately improving human and environmental health, I ask the House to support this bill.

[*English*]

Ms. Linda Duncan (Edmonton Strathcona, NDP): Mr. Speaker, I would like to thank the member for Lac-Saint-Louis for his lifelong dedication to greater government action to protect our water, including safe drinking water. I am well aware that this has been a long-standing interest of his.

The parliamentary committee on environment and sustainable development, in March 2016, was directed by this place to undertake a review of the Canadian Environmental Protection Act, which is the law that regulates toxins in our water, land and air. The committee submitted a report to this place in June 2017, more than a year ago. We are hearing from the government that it does not intend to bring forward any response to those 87 recommendations to regulate toxins in our water until after the next election.

I wonder if the member shares our concern that this action needs to be taken in a timely manner to make sure that our drinking water is safe.

Mr. Francis Scarpaleggia: Mr. Speaker, the tracking of contaminants, the evaluation of contaminants is something that governments have been doing through a chemicals management plan for some time. It is an ongoing process and is often a cumbersome process because there are so many chemicals in our environment. Previous governments have maintained that process and I hope this legislation will put an additional focus on the need to take action with respect to contaminants.

A study on contaminants in drinking water was published in the spring by a working group of experts. All of this should inform, I would hope, government action to evaluate contaminants that could be dangerous to our health and act on the conclusions that are the result of that examination.

● (1340)

[*Translation*]

Ms. Marilyn Gladu (Sarnia—Lambton, CPC): Mr. Speaker, I am pleased to rise today to speak to Bill C-326, an act to amend the Department of Health Act with regards to drinking water guidelines. I am truly grateful to the member for Lac-Saint-Louis for introducing this bill. I also want to thank him for his ongoing work on this issue.

Bill C-326 would require the Minister of Health to examine existing drinking water standards in 35 OECD countries and, if necessary, make recommendations to change Canada's drinking water standards.

Canada is currently a World Health Organization collaborating centre for water quality and has an active role in drafting the WHO guidelines for drinking water quality.

Canada also shares information on this subject with other intergovernmental organizations such as the agency that handles these matters in the United States.

It is important to note that developing water quality guidelines falls under provincial and territorial jurisdiction. However, I believe the federal government should contribute to the conversation and has a role to play in standardizing those guidelines nationally.

All Canadians must have access to drinking water of the highest quality no matter where they live, their history or their income. Drinking water in Canada should be available to everyone, and the fact that entire regions do not have consistent and permanent access to water is unacceptable.

Federal oversight and the clear responsibility of the Minister of Health to report to the House will greatly improve this situation and hold the government to account on its commitments to Canadians.

As with all other matters pertaining to health, we must ensure that changes put forward come from up-to-date sources and scientific data.

As always, I expect that the federal government will use the best data possible when developing these measures.

[*English*]

Now that we have a bit of background on the intent of this bill, I would like to outline exactly why I think the bill may actually be a bit redundant. The committee heard that the Minister of Health and the Department of Health already, on an annual basis, review the World Health Organization's standards on water quality and check back to ensure that they are implemented. The problem is not that the check is not happening. The difficulty is in making sure that we adhere to those standards across the country.

There is some difficulty with that because there are so many layers of standards. It would be great to get to a place where we would say that the World Health Organization's standards are the ones we want to meet and that federally, provincially and municipally we would all line up to the same thing. Some effort to get there is time well spent.

With respect to our first nations people, there was a commitment on the part of the government to eliminate the boil water advisories and $8.4 billion was pledged. There are some statistics on that. Since 2015, 40 boil water advisories were lifted, but another 25 were added to the list and a total of 91 boil water advisories remain in effect. We need to make sure the water quality standards we have in place federally make their way across the country and that we address the issue of water on reserve.

As of last year, two-thirds of the $2 billion that was allocated to address water systems in budget 2016 is unspent, so it is important to make sure that if we put money in place to address issues, we spend the money,

● (1345)

The other point I would make is we are three years into the mandate and have not yet made the progress we wanted to make on those boil water advisories, so I encourage the government to make tracks to see that happens.

There is a lot of technology in place. I took note that the government is shipping bottled water into many reserves. There is technology available today, where for $300 we could supply a family of five for a day. It is a water filtration system that filters both organic and inorganic materials, and just requires a cartridge filter change every 10 years. This is the kind of significant technology that could be brought to bear, along with water treatment systems that the government is putting in place.

There are other things I wish we were talking about in terms of water. Many of my constituents, when they found out I would be speaking on this, had issues they wanted to bring forward. Nick Young sent me some information about Nestlé and the withdrawal of millions of gallons of water from our lake system for mere pennies. He is concerned we are not adequately protecting our resources.

Similarly, I had input from people in the community who said the government should weigh in on the issue of whether or not we should be fluorinating our water. There was quite a volume of data provided to me. If we looked around the world to different places, some fluorinate and some do not, and there actually is not much difference in terms of dental health and some of the determinants that happen there. However, because there are municipalities that are constantly seeing this issue come forward, it would be good for the government to complete the research and come with an answer on how we could standardize across Canada. There have been cases in Calgary where they took the fluoride out of the water and now we are seeing an increase in dental health problems that they believe are related to that,

In addition to these issues, we should do some work on updating some of the guidelines. There is a lot of inconsistency between jurisdictions. Sixteen of the 94 Canadian drinking water guidelines are consistently applied across all provinces and territories. A very small percentage of what we say we want to have is in place. Only eight Canadian provinces and jurisdictions have legally binding drinking water standards. Obviously, we want to include that as part of the law.

I want to thank the member for Lac-Saint-Louis, because I know he has done a lot of work in the area. There is still more to be done, not just in setting the standards but in the work to clean up and remediate our water. In Sarnia—Lambton, we are part of a binational effort to clear up the areas of concern. When the work began between Michigan and Sarnia, a lot of the industries have been there over the years and there was a lot of cleanup to be done. The efforts have resulted in most of the areas of concern being cleaned up and the blue flag status being returned to the water in Sarnia—Lambton, so it is great to swim and enjoy the beaches there. However, there still remain areas of concern.

I was speaking with the Minister of Environment today about finding money to finish up that remediation. They have extended those areas of concern now from Sarnia all the way down to Niagara, and there are five remaining areas of concern to be addressed. I encourage the government to do that, in addition to drinking water standards. We have some of the most beautiful lakes in the world. We have the largest volume of water on the planet. We should be leaders in setting the standard in making sure that everything we have here is kept for generations to come.

That said, I appreciate the member bringing this forward. It would put into law the practice that the government currently has of checking with the world standards every year and making sure it brings those back to try to get some coordination and implementation across all of the provinces and territories.

Ms. Linda Duncan (Edmonton Strathcona, NDP): Mr. Speaker, in Bill C-326, the member for Lac-Saint-Louis proposes a number of measures related to empowering the federal Minister of Health, under the Department of Health Act, to investigate and report on the need to update regulation of toxins in drinking water.

I want to say again that I am aware of the long-standing interest of this member in calling for greater action to protect Canadian water quality, including safe drinking water, and I commend him for this dedication. I also wish to echo the calls by the MP for Sarnia—Lambton for the comments she has made on the concerns about the continuing boil water advisories in our indigenous communities.

However, the member for Lac-Saint-Louis' specific reforms appear at odds with, and may actually conflict with, recommendations made by the parliamentary committee on environment and sustainable development in a number of reports tabled in this place in 2007, 2008 and as recently as 2017, which have still not been acted upon.

Certainly, repeated calls have been made for greater action at the federal level to protect water quality, in particular from contamination from harmful toxins. Strengthened measures have been demanded by parliamentarians, government officials, scientists, physicians, lawyers, environmental advocates and our own commissioner of the environment and sustainable development.

Indeed, during our committee study of the Canadian Environmental Protection Act, we heard testimony that Canadian drinking water standards often lag behind international benchmarks. CEPA, or the Canadian Environmental Protection Act, is the federal law that has been in force since 1988 for regulating toxic substances, including those that may be found in drinking water or potential drinking water sources. It is also important to note that it is this law that extends powers to both the Minister of Environment and Climate Change and the Minister of Health for the control of toxins.

Following an extensive study that heard testimony from government officials, the commissioner of the environment and sustainable development, industry, scientists, legal experts and environmental advocates, the committee tabled a report calling for substantive reforms to this law to ensure improved control of toxins, including in water.

Bill C-326 proposes that the Minister of Health be empowered to review drinking water standards to ensure consistency with standards imposed by other OECD nations. Our committee was advised that in some instances, Canada has in place the lowest standards among OECD nations for 27 toxic substances. While the committee recognized the need for the reforms, they do not appear to coincide with those the member recommends under Bill C-326.

In fact, the committee recommended amending CEPA to require a mandatory assessment of any substance where an OECD country has placed restrictions on it and more. It also called for action where there was an increased use of that substance or any new scientific findings came to the attention of the Minister of Environment and Climate Change. The committee recommended that CEPA be made the principal statute to regulate any products containing toxic substances, not the Department of Health Act.

The parliamentary committee did recognize the need to enhance the powers of the Minister of Health in recommending controls on a toxin where it may pose risks to health. However, it was noted that the law must require dual reviews by both the health and environment ministers to ensure that risks to both health and environment are assessed.

A recommendation was also made to ensure that any assessment consider risks to vulnerable populations. The committee went a step further than Bill C-326, recommending automatic listing of any substance once it is determined to be toxic, not simply that it be reported to Parliament. It called for immediate action where there is information that a substance may be harming human health or the environment. However, we still await action by the government on these languishing critical calls for reform to protect our environment and human health.

Finally, many have called for the current national guidelines for Canadian drinking water to be made binding in law, as is the case in many other western nations. Further, they have called for communities, including indigenous communities, to be granted the right to participate in risk assessments and the setting of standards. This would be consistent with Canada's having recognized, at the UN conference on sustainable development in 2012, the right to water. Such calls have been made for decades by Ecojustice, the Forum for Leadership on Water, the Centre for Indigenous Environmental Resources, the David Suzuki Foundation blue dot campaign and indigenous leaders.

Should Bill C-326 be passed, it will be important that the proposals be considered in tandem with the recommendations by the parliamentary committee.

● (1350)

I call on the government to table amendments to the Canadian Environmental Protection Act this year. That would enable them to be debated and implemented as expeditiously as possible to ensure the protection of Canadians.

As my colleague from the Conservative Party noted, yes, the government is showing a greater commitment to removing boil water advisories in aboriginal communities, but no community in 2018 should be suffering under a boil water advisory. Yes, there may be certain gizmos that can be attached to taps, but frankly, many of these communities do not even have water from taps and have to go to a well.

A number of years ago, I wrote a handbook for indigenous communities to ensure that they had protections for their safe drinking water, because there was a law proposed by the Conservative government to regulate safe drinking water in indigenous communities. Regrettably, essentially what that law did was simply transfer liability to indigenous communities.

It is absolutely critical that the resources be given to our indigenous and rural communities so that they can, in fact, be granted the same opportunity many of us have to simply turn on the tap and have clean, fresh water. I have had the privilege of working overseas in a number of countries, such as Bangladesh and Indonesia, and on those occasions, it was not necessarily safe to drink the water from the taps, so I recognize in a very small way what is being suffered in many of the communities.

I again commend the member for his attention to this issue and the initiative he is taking, but I would encourage the government and the committee, when considering this bill, to look at it in the context of the report done by the parliamentary committee.

● (1355)

Mr. John Oliver (Parliamentary Secretary to the Minister of Health, Lib.): Mr. Speaker, I would like to sincerely thank the member for Lac-Saint-Louis for his hard work and insights on Canada's drinking water guidelines, which he introduced through Bill C-326, and also for his leadership in this area over many years. I know that all members in this House come from ridings that pull their drinking water from multiple sources. In my community of Oakville, we pull it from Lake Ontario. Therefore, drinking water guidelines are essential and important to every one of us.

Canada has a long history of developing guidelines to ensure that Canada's drinking water is among the safest in the world. In fact, the first guideline was published 50 years ago. Today over 100 guidelines are maintained and renewed. If passed, Bill C-326 would help ensure that Canada's drinking water guidelines are protective of health and are comparable to those in leading jurisdictions internationally. Furthermore, it would improve transparency on how drinking water quality guidelines are developed in Canada.

It is important to understand that drinking water quality is the responsibility of all levels of government, from federal to municipal. While drinking water is primarily under provincial and territorial jurisdiction, the Government of Canada plays a central role in drinking water safety. Health Canada works in close collaboration with the provinces and territories to establish science-based guidelines for Canadian drinking water quality, which are published by Health Canada. Each of these guidelines is specific to a contaminant found in Canada. These guidelines are in turn used by the provinces and territories as a basis for establishing their own drinking water quality standards, in accordance with their respective public health priorities. The guidelines are also used to ensure the safety of drinking water in areas of federal jurisdiction.

This collaborative approach between federal, provincial and territorial governments is applied consistently throughout the process, from identifying priorities and assessing risks to developing draft guidelines to consulting with Canadians and working toward implementing the guidelines across Canada. This process is based on robust science, national and international peer review and the consideration of standards and guidelines from other international jurisdictions. This harmonized approach helps ensure consistency in the levels of protection across Canada while respecting the existing constitutional division of responsibilities.

Canada takes an approach to the development of drinking water guidelines that is similar to what many other countries do. Health Canada develops guidelines for substances of concern that are found in Canadian drinking water supplies at levels that can pose a risk to human health. A drinking water contaminant in Australia, for example, is not necessarily a concern in Canada because of differences in industry and geology. This means that the substances needing guidelines or standards will vary internationally. Canada identifies issues that are specific to Canada and takes these issues into consideration when developing guidelines designed to protect the health of Canadians. The science generated, as well as the standards developed by other global authorities, are used to help inform the development of drinking water quality guidelines in Canada.

Every four years, Health Canada, in collaboration with the provinces and territories, conducts a comprehensive review of chemical substances, including new or emerging potential drinking water contaminants. This review aims to assess whether there is new science related to the potential health impacts of a contaminant, new information on Canadians' level of exposure, and any new treatment technology developed nationally or internationally. On the basis of this review, a list of prioritized contaminants is created. This collaborative, science-based process ensures that federal and provincial resources are directed at substances most likely to pose a risk to the health of Canadians.

Internationally, Canada is considered a leader in the development of drinking water quality guidelines. Health Canada is also recognized as a collaborating centre for water quality by the World Health Organization, highlighting Canada's international prominence and expertise. The department has been a contributor to all the World Health Organization's drinking water quality guidelines for the last several decades, and over the past 10 years, the World Health Organization has used Canada's drinking water assessments as the basis for developing its own guidelines for 12 chemical substances and has requested specific input from Health Canada on a further 10.

As part of its assessment process, Health Canada routinely monitors and reviews the drinking water guidelines and standards developed by other key organizations. The science supporting these international standards is taken into consideration when developing our Canadian guidelines.

● (1400)

This approach ensures that Canadian drinking water guidelines are based on credible, science-based criteria and also take into consideration the science behind new and updated drinking water standards developed globally.

The Government of Canada also works closely and shares information with international government agencies. Health Canada recently collaborated with the United States Environmental Protection Agency to develop a risk assessment on blue-green algae, also harmful algae blooms, which affect a growing number of drinking water sources in Canada and the United States. This risk assessment was used as a basis for a Canadian guideline and for a U.S. health advisory on blue-green algae.

Health Canada has also co-operated with Australia in the development of an online risk assessment tool. The online tool is developed to help operators in small communities with small drinking water systems to evaluate their level of risk and prioritize areas for action.

To summarize, Canada's effective, collaborative, science-based process for developing drinking water quality guidelines is among the best in the world. However, are improvements possible? The answer is yes. If passed, Bill C-326 would, for the first time, formalize in legislation the role of the federal government and specifically the Minister of Health to coordinate the development of national drinking water quality guidelines and to consider the guidelines and standards developed in other jurisdictions. This represents a significant step toward improving federal accountability on the issue.

The intent of Bill C-326 is not to question the quality of the work that is being done by Health Canada and our provinces and territories. The intent is to maintain Canada's status among the world's leading agencies on drinking water quality. It highlights the need for our scientists to review the work of other leading agencies to keep abreast of new scientific approaches and studies. It demonstrates the need for having open and transparent scientific processes and to better communicate our work and its importance to Canadians on an ongoing basis.

If adopted, Bill C-326 would strengthen federal accountability by improving the transparency of the process by which drinking water guidelines are developed.

Health Canada is already moving in this direction. In addition to being posted on the Government of Canada's website, new and updated guidelines for Canadian drinking water quality are now published in the Canada Gazette under the authority conveyed to the Minister of Health under the Canadian Environmental Protection Act.

Each guideline published in the Canada Gazette will include a comparison between corresponding guidelines or standards of leading international jurisdictions and agencies. If passed, Bill C-326 would build on these efforts and enhance information that is available to Canadians on drinking water quality guidelines.

Publishing the guidelines for Canadian drinking water quality under the Canadian Environmental Protection Act will help enhance the government's transparency and outreach to experts, stakeholders and interested Canadians, and formalize the consultation process on all guidelines.

In conclusion, Bill C-326, if adopted, would strengthen Canada's efforts to ensure our guidelines are among the best in the world, that they are based on up-to-date science and that they are protective of the health of Canadians. It will inform Canadians and stakeholders of the process used to develop guidelines and how our drinking water quality guidelines compare to standards and the guidelines of leading international agencies.

I am pleased to advise the House that the government will be supporting Bill C-326. Once again, I would like to thank the member for Lac-Saint-Louis for his work on this important issue and for his leadership past and ongoing in ensuring strong drinking water guidelines for all Canadians.

● (1405)

Mr. Gord Johns (Courtenay—Alberni, NDP): Mr. Speaker, it is an honour to rise today to speak in support of Bill C-326, an act to amend the Department of Health Act (drinking water guidelines).

My colleague from Edmonton Strathcona did a great job of talking about things that are missing in this piece of legislation and also what is important.

Before I get started, I want to talk about some of the water defenders in my riding. I want to recognize Linda Safford and the great work that the Comox Valley Council of Canadians do. I want to recognize Dan Lewis and Bonnie Glambeck from Clayoquot Action, and my friend Sarah Thomas, who has fought so much for the Alberni Valley and the protection of the watershed there. I also want to recognize Tsimka and Gisele Martin from Tla-o-qui-aht First Nation for their defence of Meares Island and protecting our water there.

It is really important that we have water defenders in our communities. We are fortunate to have eight Nuu-chah-nulth nations in my riding, the Qualicum nation and the Comox people. They are always there to defend what is important and that is our water.

We rely heavily on clean water in our riding for our water supply. Comox Lake is something we are looking at as a water supply in the Comox Valley to ensure that we have clean water. Meares Island supplies the water for Tofino and Ucluelet is looking at getting its water from Kennedy Lake.

We all know that water makes life possible on our planet. We learn this as children. If we are fortunate to live near the streams, rivers, lakes and oceans of our country, we learn that it is fundamental to our local economies, our culture and our food security.

Too often we take this knowledge of water as the essence of life for granted as we live our lives. We waste it and we pollute it with industrial waste and debris such as single use plastics, which I have raised repeatedly here in the House.

Protecting and preserving our water is urgently required through a national ocean plastics strategy, including filling the legislative and regulatory voids that are required to ensure effective stewardship.

At the same time, there is no question that water is a human right. Nothing can survive very long without it. We can live up to a month without food, but only for a week without water.

Most of us also take the right to safe drinking water for granted because most of us have access to an abundance of fresh water like I just spoke of. I live in a temperate rain forest so we do take it for granted. However, this is not true for two-thirds of all indigenous communities here in Canada. These communities have been under at least one drinking water advisory at some time in the last decade and people in many municipalities as well face repeated drinking water advisories.

This is true, for example, of the Comox Valley in my riding which has been subjected to multiple boil water advisories covering a period of 126 days just over the past three years. We have an application for the Comox Valley water treatment project and we desperately will need federal and provincial support to establish that and ensure that we do not have these boil water advisories and that we know that our children, our elders and all citizens will have access to clean drinking water.

During the last election campaign, the Prime Minister promised to end drinking water advisories in indigenous communities within five years. The government is three years into its term and we are far from that. According to a recent report from the David Suzuki Foundation, the Liberal government is not on track to fulfill this promise and, sadly, it has no plan to get there. The government has two years left in its five-year promise and there is no plan to fulfill this promise. This is completely unacceptable. It is disappointing and frustrating. Frankly, it is embarrassing.

According to a 2014 Ecojustice Canada Report, drinking water standards in Canada continue to lag behind international benchmarks. The report compared the guidelines for Canadian drinking water quality with corresponding frameworks in the United States, European Union, and Australia, as well as standards recommended by the WHO. While Canada has, or is tied for, the strongest standard in 24 instances, it has, or is tied for, the weakest standard for 27 substances. That is unacceptable.

● (1410)

In 105 other cases, Canada has no standard at all where at least one other country does. There is no regulatory framework holding the federal government accountable for safe drinking water in indigenous communities. This is largely because provincial laws and regulations that apply to municipalities do not apply to reserves, which are considered federal lands under federal jurisdiction.

The federal government's unacceptable failure to provide clean drinking water in indigenous communities is still unacceptable, and its funding continues to be inadequate for addressing urgent, immediate drinking water and wastewater and waste management treatment.

While the mandated guideline reviews called for in this bill are important, more stringent national objectives and standards in line with the European Union, United States, Australia and the WHO are clearly required.

In closing, all Canadians clearly do not have equal access to clean drinking water. It is time for Canada to establish a national water policy to secure the principles of water as a human right and as a public trust. We need a plan to implement that strategy.

Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.): Mr. Speaker, it is a great honour and pleasure to be in a position where I am wrapping up debate on the first private member's bill that I have had in my career here that has made it to this stage.

I thank all those who participated in the debate. I think we all learned from the perspectives that different parties and MPs have brought to this debate. I know that I did.

I want to make clear that the bill is not aimed at suggesting that we do not have excellent quality drinking water in Canada. I would not want anyone watching this debate to somehow be alarmed or suggest there is a generalized problem. I say that with the caveat that we have a problem in first nations.

I am part of a group that is working with the Minister of Indigenous Services to focus on the first nations water issue specifically. From interactions with the minister, she is deeply committed to getting this job done. In fact, as a sign of how committed our government is, we added water systems to the government's target for maintaining good water systems. If a government were trying to get off easy, it would not do that. Therefore, it is a sign that we take this issue very seriously.

I am very proud of the work that the minister has been doing. I believe we are on track to meet our March 2021 deadline. There have been 70 long-term water advisories that have been lifted already. Indeed, it is the result of investment, but it is more than that. It is the result of political will. I am very proud of the work our government is doing.

With respect to the bill, it is not a magic wand. It is one small step in bringing attention to water issues in Canada, which should be moved up on the public agenda.

There is a role for the federal government. Of course water is very much a provincial responsibility, with municipalities involved in managing different aspects of water, but the federal government has a role to play. However, I do not think it is necessarily a question of having, as the member who just spoke said, a broad-based national water vision or strategy. It requires a more granular approach.

By that I mean that the issue of water is so vast that if we try to envelop the whole issue in one kind of policy statement, we necessarily abstract from the discrete issues with which we have to deal. Therefore, we have to build a water strategy from the bottom up. We have to tackle issues like the one the bill attempts to tackle. There are other issues of course that we have to address. I have done that over my years here, including with the member for Edmonton Strathcona when we sat on the environment committee and looked at the oil sands industry and how it managed water in the Athabasca region.

The bill is not a cure all. It is just meant to introduce a little more accountability into the process. We know our government officials, in league with provincial government officials, do a very good job of comparing with standards elsewhere. However, the bill, in a sense, would require them to be a little more proactive. It would require the Minister of Health to be a little more proactive in telling us who the government is comparing to; why it is comparing to a particular country or entity; and explain why, in that comparison, it is focusing on a particular contaminant and maybe not on another. It would permit civil society to see a little more clearly how the government is operating in this respect and to question it on what it is doing.

That is really the essence of democracy in general. In this case, it will help advance the water agenda. It may be a small step, but at least we are going forward.

● (1415)

The Speaker: Is the House ready for the question?

Some hon. members: Question.

The Speaker: The question is on the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the yeas have it.

And five or more members having risen:

The Speaker: Pursuant to Standing Order 98 the recorded division stands deferred until Wednesday, October 3, immediately before the time provided for private members' business.

[*Translation*]

It being 2:18 p.m., the House stands adjourned until Monday next at 11 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 2:18 p.m.)

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